

REGISTRATION NO. 333-52481

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 2
TO
FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

AMERICAN TOWER CORPORATION

(FORMERLY AMERICAN TOWER SYSTEMS CORPORATION)
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE (STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	4899 (PRIMARY STANDARD INDUSTRIAL CLASSIFICATION CODE NUMBER)	65-0598206 (I.R.S. EMPLOYER IDENTIFICATION NO.)
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116 HUNTINGTON AVENUE, BOSTON, MASSACHUSETTS 02116
(ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF
REGISTRANT'S PRINCIPAL EXECUTIVE OFFICES)

STEVEN B. DODGE

AMERICAN TOWER CORPORATION
116 HUNTINGTON AVENUE
BOSTON, MASSACHUSETTS 02116
(617) 375-7500

(NAME, ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE,
OF AGENT FOR SERVICE)

COPIES TO:

NORMAN A. BIKALES, ESQ. SULLIVAN & WORCESTER LLP ONE POST OFFICE SQUARE BOSTON, MASSACHUSETTS 02109	JOHN T. BOSTELMAN, ESQ. SULLIVAN & CROMWELL 125 BROAD STREET NEW YORK, NEW YORK 10004
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CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REG- ISTERED	AMOUNT TO BE REGISTERED(1)	PROPOSED MAXIMUM OFFERING PRICE PER SECURITY(2)	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE(1)(2)(3)	AMOUNT OF REGISTRATION FEE
Class A Common Stock, \$.01 par value.....	26,252,626(3)	(3)	\$58,414,252	\$17,233(4)

(1) Includes 2,386,603 shares which the Underwriters have the option to purchase to cover over-allotments of shares. See "Underwriting".

(2) Based on the average of (a) the bid and ask prices in the "when-issued" trading market on May 5, 1998 and May 28, 1998, with respect to 23,866,023 shares and (b) the high and low prices reported on the New York Stock Exchange on June 23, 1998, in accordance with Rule 457(c) under the Securities Act.

(3) The shares registered herein include (a) 22,918,499 shares for which a registration fee has previously been paid with the original filing of this registration statement on May 12, 1998 based upon \$21 1/8, which equals the average of the bid and ask prices in the "when-issued" trading market on May 5, 1998; (b) 701,372 additional shares for which a registration fee has previously been paid with the filing of Amendment No.1 to this registration statement on June 1, 1998 based upon \$19 1/8, which is the average of the bid and ask prices in the "when-issued" trading market on May 28, 1998; and (c) 2,632,755 additional shares for which a registration fee is paid herewith based upon \$22 3/16, which is the average of the high and low prices reported on the New York Stock Exchange on June 23, 1998.

(4) Aggregate fees of \$146,784 were previously paid with the initial filing of this Registration Statement and Amendment No. 1 thereto with the Commission on May 12, 1998 and June 1, 1998, respectively. A fee of \$17,233 is hereby paid in connection with this filing.

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, AS AMENDED, OR UNTIL THIS REGISTRATION STATEMENT WILL BECOME EFFECTIVE ON SUCH DATE AS THE SECURITIES AND EXCHANGE COMMISSION, ACTING PURSUANT TO SECTION 8(A), MAY DETERMINE.

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 +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.
 ++++++

SUBJECT TO COMPLETION, DATED JUNE 30, 1998

23,866,023 SHARES

LOGO

CLASS A COMMON STOCK
 (\$.01 PAR VALUE)

Of the shares offered hereby (this "Offering") 20,000,000 shares are being sold
 by American Tower Corporation (formerly American Tower Systems Corporation,
 "ATS") and 3,866,023 shares are being sold by the Selling Stockholders named
 herein. ATS will not receive any of the proceeds of shares sold by the
 Selling Stockholders. With certain exceptions, the Class A Common Stock and
 the Class B Common Stock vote as a single class with the Class A Common
 Stock and the Class B Common Stock entitled to one vote and ten votes per
 share, respectively. Assuming consummation of this Offering, Steven B.
 Dodge and Thomas H. Stoner together with their affiliates will have
 approximately 44.5% of the combined voting power with respect to
 substantially all matters submitted for the vote of all stockholders.

The Class A Common Stock is traded on the New York Stock Exchange (the "NYSE")
 under the symbol "AMT". The closing price per share on June 29, 1998 on the
 NYSE was \$22 7/8.

FOR A DISCUSSION OF CERTAIN FACTORS THAT SHOULD BE CONSIDERED IN CONNECTION
 WITH AN INVESTMENT IN THE CLASS A COMMON STOCK, SEE "RISK FACTORS" ON PAGE
 11.

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	PROCEEDS TO COMPANY(1)	PROCEEDS TO SELLING STOCKHOLDERS
Per Share.....	\$	\$	\$	\$
Total (2).....	\$	\$	\$	\$

(1) Before deduction of expenses, all of which are payable by ATS, estimated at \$1,500,000.

(2) ATS has granted the Underwriters an option, exercisable for 30 days from
 the date of this Prospectus, to purchase a maximum of 2,386,602 additional
 shares to cover over-allotments of shares. If the option is exercised in
 full, the total Price to Public will be \$, Underwriting Discounts and
 Commissions will be \$ and Proceeds to Company will be \$.

The shares are offered by the several Underwriters when, as and if delivered
 to and accepted by the Underwriters and subject to their right to reject orders
 in whole or in part. It is expected that the shares will be ready for delivery
 on or about July 8, 1998, against payment in immediately available funds.

CREDIT SUISSE FIRST BOSTON
 BT ALEX. BROWN
 LEHMAN BROTHERS
 MORGAN STANLEY DEAN WITTER
 BEAR, STEARNS & CO. INC.
 MERRILL LYNCH & CO.
 SALOMON SMITH BARNEY

Prospectus dated June , 1998.

[MAP OF THE UNITED STATES SHOWING TOWER SITES]

CERTAIN PERSONS PARTICIPATING IN THIS OFFERING MAY ENGAGE IN TRANSACTIONS THAT STABILIZE, MAINTAIN, OR OTHERWISE AFFECT THE PRICE OF THE SECURITIES OFFERED HEREBY, INCLUDING OVER-ALLOTMENT, STABILIZING TRANSACTIONS, SYNDICATE SHORT COVERING TRANSACTIONS, PENALTY BIDS AND PASSIVE MARKET MAKING. FOR A DESCRIPTION OF THESE ACTIVITIES, SEE "UNDERWRITING".

ATS's principal executive offices are located at 116 Huntington Avenue, Boston, Massachusetts 02116, (617) 375-7500.

ATS changed its name to American Tower Corporation upon consummation of the ATC Merger. See "Prospectus Summary--History of ATS".

PRESENTATION OF INFORMATION

The information with respect to ATS gives effect to all acquisitions which have been consummated since January 1, 1997 or which are subject to a binding agreement (the "Recent Transactions"), except as otherwise explained. The Unaudited Pro Forma Condensed Consolidated Financial Statements of ATS (and certain other pro forma financial information) give effect only to the more significant acquisitions. The consummation of the CBS Merger and the ATC Merger, the issuance of Interim Preferred Stock and the closing of the New Credit Facilities, all as described in the Prospectus Summary and elsewhere, occurred in June 1998. All percentages of total voting power set forth in this Prospectus are based on shares outstanding as of June 29, 1998, do not give effect to subsequent conversions, if any, of Class B Common Stock or Class C Common Stock into Class A Common Stock, and assume that the Underwriters' over-allotment option is not exercised.

As used in this Prospectus, (a) the "Company", "American Tower", "American Tower Systems" and "ATS" mean American Tower Corporation (name changed from American Tower Systems Corporation pursuant to the ATC Merger), (b) "ATC" means American Tower Corporation, prior to the ATC Merger, (c) "ATC Merger" means the merger of ATC into ATS, (d) "American Radio" or "ARS" means American Radio Systems Corporation, (e) "CBS" means CBS Corporation, (f) "CBS Merger" means the merger of a subsidiary of CBS into ARS, (g) "ATSI" means American Tower Systems (Delaware), Inc., a wholly-owned subsidiary of ATS and one of the operating subsidiaries of ATS, (h) "ATSLP" means American Tower Systems, L.P., an indirect wholly-owned subsidiary of ATS and one of the other operating subsidiaries of ATS, (i) "Borrower-Subsidiary" means each of ATSI and ATSLP, and (j) "ATS Pro Forma Transactions" include, among other things, seven major acquisitions, but do not include all Recent Transactions (see Note (2) under "Selected Financial Data"). References to ATS include ATS and its consolidated subsidiaries, unless the context otherwise requires.

FORWARD-LOOKING STATEMENTS

Some of the statements contained in this Prospectus under "Prospectus Summary", "Risk Factors", "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Industry Overview" and "Business" are forward-looking. They include statements concerning (a) growth strategy, (b) liquidity and capital expenditures, (c) construction and acquisition activities, (d) debt levels and ability to obtain financing and service debt, (e) competitive conditions in the communications site and wireless carrier industries, (f) regulatory matters affecting the communications site and wireless carrier industries, (g) projected growth of the wireless communications and wireless carrier industries, and (h) general economic conditions. Actual results may differ materially from those suggested by the forward-looking statements for various reasons, including those discussed under "Risk Factors".

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PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this Prospectus. It is not complete and may not contain all of the information to be considered before investing in the Class A Common Stock. Investors should read the entire Prospectus carefully, including the "Risk Factors" section and the pro forma financial information and the financial statements and the notes to those statements. The information with respect to ATS gives effect to all acquisitions which have been consummated since January 1, 1997 or which are subject to a binding agreement, except as otherwise explained.

AMERICAN TOWER

GENERAL

ATS is a leading independent owner and operator of communications towers in the United States. As a consequence of its current industry position and experience, ATS believes it is favorably positioned to capitalize on the growth opportunities inherent in a rapidly expanding and highly fragmented communications site industry. Since its organization in 1995, ATS has grown, predominantly through acquisitions, to a company operating more than 1,800 towers in 44 states and the District of Columbia. ATS intends to continue to pursue strategic acquisitions while devoting increasing financial and other resources to tower construction. In 1998, ATS currently plans to build or commence construction of between approximately 400 and 500 towers, at an estimated aggregate cost of between approximately \$80.0 and \$100.0 million. For the year ended December 31, 1997, giving effect to the ATS Pro Forma Transactions, ATS had net revenues and EBITDA of \$94.9 million and \$40.2 million, respectively. For the three months ended March 31, 1998, giving effect to the ATS Pro Forma Transactions, ATS had net revenues and EBITDA of \$25.1 million and \$9.7 million, respectively.

ATS's primary business is the leasing of antennae sites on multi-tenant towers for a diverse range of wireless communications industries, including personal communications services ("PCS"), cellular, enhanced specialized mobile radio ("ESMR"), specialized mobile radio ("SMR"), paging, and fixed microwave, as well as radio and television broadcasters. ATS also offers its customers a broad range of network development services, including network design, site acquisition, zoning and other regulatory approvals, tower construction and antennae installation. ATS intends to expand these services and to capitalize on its relationships with its wireless customers through construction for them of major tower networks that ATS will own and operate. ATS is also engaged in the video, voice and data transmission business, which it currently conducts in the New York City to Washington, D.C. corridor and in Texas.

ATS is geographically diversified with significant networks of communications towers throughout the United States. Its largest networks are in California, Florida and Texas, and it owns and operates or is constructing tower networks in numerous cities, including Albuquerque, Atlanta, Austin, Baltimore, Boston, Dallas, Houston, Jacksonville, Kansas City, Los Angeles, Miami-Ft. Lauderdale, Minneapolis, Nashville, New York, Philadelphia, Sacramento, San Antonio, San Diego, San Francisco, Tucson, Washington, D.C. and West Palm Beach.

ATS has a diversified base of approximately 2,500 customers, no one of which accounted for more than 10% of its 1997 pro forma net revenues from site leasing activities and the five largest of which accounted for less than 30% of such net revenues. ATS's wide range of customers include most of the major wireless service providers, including Airtouch, Alltel, AT&T Wireless PCS, Bell Atlantic Mobile, BellSouth, GTE Mobilnet, Houston Cellular, Metrocall, Mobile Comm, Nextel, Omnipoint, PacBell, PageNet, PowerTel, PrimeCo PCS, SkyTel, Southwestern Bell, Sprint PCS and Western Wireless. In addition, most of the major companies in the radio and television broadcasting industry are ATS's customers, including ABC, CBS, Chancellor Media, Clear Channel, CNN, Fox, Jacor and NBC.

ATS's growth strategy is designed to enhance its position as a leading U.S. provider of communications sites and network development services to the wireless communications and broadcasting industries. The principal elements of this strategy are: (i) to maximize utilization of antennae sites through targeted sales and marketing techniques; (ii) to expand its tower construction activities, principally through build to suit projects; and (iii) to pursue strategic acquisitions, designed principally to facilitate entry into new geographic markets and to complement the construction program.

ATS's growth strategy is designed to capitalize on the rapid growth taking place in the wireless communications industry. ATS believes that the increase in demand for wireless communications is attributable to a number of factors, including the increasing mobility of the U.S. population and the growing awareness of the benefits of mobile communications, technological advances in communications equipment, decreasing costs of wireless services, favorable changes in telecommunications regulations, and business and consumer preferences for higher quality voice and data transmission. This demand has prompted the issuance of new wireless communication licenses, including those for certain new higher frequency technologies (such as PCS and ESMR) that have a reduced cell range and thus require a higher density of towers in the network. Because of the anticipated increase in the demand for these new technologies, as well as the expansion of other wireless services (including cellular and paging), ATS expects that construction of new wireless networks will increase substantially over the next several years.

ATS believes that as the wireless communications industry has grown it has become more competitive. As a consequence, many carriers may seek to preserve capital and speed access to their markets by focusing on activities that contribute directly to subscriber growth, by outsourcing infrastructure requirements such as owning, constructing and maintaining towers or by co-locating transmission facilities. Management also believes that national and other large wireless service providers will prefer to deal with a company, such as ATS, that can meet the majority of such providers' needs within a particular market or region, rather than, as in the past, with a large number of individual tower owners, construction companies and other service providers. See "Risk Factors".

In addition to such favorable growth and outsourcing trends, management believes that ATS will benefit from several communications site industry characteristics, including: (i) a recurring and growing revenue stream; (ii) low tenant "churn"; (iii) a diversified customer base, principally of national companies; (iv) favorable tower cash flow margins; (v) low on-going maintenance capital requirements; (vi) local government and environmental initiatives which promote increased antennae co-location; and (vii) consolidation opportunities in a highly fragmented industry.

GROWTH STRATEGY

ATS's objective is to enhance its position as a leading U.S. provider of communications site and network development services to the wireless communications and broadcasting industries. ATS's growth strategy consists of the following principal elements:

Internal Growth through Sales, Service and Capacity

Utilization. Management believes that a substantial opportunity for profitable growth exists by maximizing the utilization of existing and future towers. Because the costs of operating a site are largely fixed, increasing tower utilization significantly improves tower operating margins. ATS intends to use targeted sales and marketing techniques to increase utilization on both existing and newly constructed towers and to maximize investment returns on acquired towers with underutilized capacity.

Growth by Construction. Management intends to focus on new tower development for the foreseeable future. ATS believes that attractive investment returns can be achieved by constructing new tower networks in and around markets in which it already has a presence, along major highways, and in targeted new markets, particularly markets that have not been significantly built out by carriers or other communications

site companies. By working with one or more "anchor" tenants, ATS will seek to develop an overall master plan for a particular network. This strategy serves to minimize, to some extent, the risks associated with the investment. Strategic acquisitions will also be pursued to fill out or, in certain cases, initiate a tower network. Management also intends to pursue new tower construction to service the demand for digital television and for tower space for radio antennae displaced by digital television requirements. Over time, management believes that more than half of its towers will result from new construction, with the vast majority of these designed to serve the wireless communications industry.

The ability to obtain, and commit to, large new construction projects will require significant financial resources. Management believes that its cost of capital, relative to the cost of capital of its competitors, will be an important factor in determining the success of its growth by construction strategy. Based on its previous capital market transactions, management believes that it has a good reputation in the financial community that will help it raise capital on the favorable terms necessary to finance its growth. However, there can be no assurance that funds will be available to ATS on such terms.

During 1997, ATS (including ATC and other acquired companies) built or had under construction approximately 240 towers, including those constructed for and owned by third parties. During 1998, ATS currently plans to build or commence construction of between approximately 400 and 500 towers (most of which are on a build to suit basis) at an estimated aggregate cost of between approximately \$80.0 and \$100.0 million. In addition, ATS is seeking several major build to suit projects, although there can be no assurance that any definitive agreements will result.

Growth by Acquisition. ATS has achieved a leading industry position primarily through acquisitions, and intends to continue to pursue strategic acquisitions of communications sites in new and existing markets, including possibly non-U.S. markets. Among the potential acquisitions are tower networks owned by major wireless service providers, including many of the regional Bell operating companies and their affiliates, that may seek to divest their ownership of such networks for reasons similar to those motivating them to outsource their new construction requirements. Some of these acquisitions may include plans or commitments to construct towers. ATS is actively considering, and intends to continue actively considering, opportunities to acquire communication sites and related properties, including possible significant acquisitions ranging in size from several hundred towers to several thousand towers and from purchase prices of tens of millions of dollars to several hundreds of millions of dollars. There can, of course, be no assurance that ATS will enter into any binding agreements with respect to any such acquisitions, or if it does, the terms or timing of any such acquisition. ATS also intends to pursue, on a selective basis, the acquisition of site acquisition companies and providers of video, voice and data transmission services. ATS may also pursue acquisitions related to the communications site industry, including companies engaged in the tower fabrication business.

HISTORY OF ATS

In early 1995, Steven B. Dodge, Chairman of the Board, President and Chief Executive Officer of American Radio, and other members of management, recognized the opportunity in the communications site industry as a consequence of ARS's ownership and operation of broadcast towers. ATS was formed in July 1995 to capitalize on this opportunity. ATS's 1996 acquisition program was modest, entailing the acquisition of approximately 15 communications sites and businesses managing approximately 250 sites for others, for an aggregate purchase price of approximately \$21.0 million. Since January 1, 1997, ATS has acquired more than 550 communications sites, exclusive of the ATC Merger, and its site acquisition and voice, video and data transmission businesses.

RECENT AND PENDING TRANSACTIONS

ATC Merger. On June 8, 1998, ATS consummated a merger agreement with ATC, pursuant to which ATC merged into ATS (the "ATC Merger"). ATC was a leading independent owner and operator of wireless

communications towers with approximately 950 towers (including then pending acquisitions of approximately 35 towers) in 32 states, of which approximately 125 towers were managed for a third party owner. ATC owned and operated towers in 45 of the top 100 metropolitan statistical areas in the United States and had clusters of towers in cities such as Albuquerque, Atlanta, Baltimore, Dallas, Houston, Jacksonville, Kansas City, Minneapolis, Nashville and San Antonio. ATC's customers included Bell South Mobility, CSX Transportation, GTE Mobilnet, Houston Cellular, Nextel, PageMart, PageNet, SBC Communications, Shell Offshore, Sprint PCS and various federal and local government agencies. For the year ended December 31, 1997, ATC had net revenues and EBITDA of \$20.0 million and \$12.7 million, respectively. For the three months ended March 31, 1998, ATC had net revenues and EBITDA of \$6.3 million and \$4.1 million, respectively. ATS issued approximately 30.1 million shares of Class A Common Stock (including shares issuable upon exercise of options) pursuant to the ATC Merger. Such 30.0 million shares represent approximately 35% of ATS's pro forma number of shares of outstanding Common Stock (giving effect to the exercise of all options then outstanding, but not to this Offering or the issuance of shares pursuant to the acquisitions described in the following paragraph). See "Business--Recent Transactions--ATC Merger".

Pending Acquisitions. ATS is involved in several other pending acquisitions, the principal ones involving the acquisition of: (i) the 58 towers of an existing joint venture in which ATS owns a 70% interest ("ATS/PCS"), for a number of shares of Class A Common Stock that is being negotiated, and (ii) a company that is in the process of constructing approximately 40 towers in the Tampa, Florida area for a purchase price equal to the excess of (a) ten (10) times the annualized operating cash flow of those towers at the time of closing (estimated for the spring of 1999) over (b) the seller's aggregate indebtedness for money borrowed at such time. See "Business--Recent Transactions--Pending Acquisitions". The seller, at its option, may require that at least 50.1% of such purchase price consist of shares of Class A Common Stock valued at the time of the closing and that the balance be paid in cash.

CBS Merger. In December 1997, American Radio entered into an amended and restated merger agreement (the "CBS Merger Agreement") pursuant to which a subsidiary of CBS was merged into American Radio on June 4, 1998. As a consequence of the consummation of the CBS Merger, all of the shares of ATS owned by ARS were or will be distributed to ARS common stockholders and holders of options to acquire ARS Common Stock or upon conversion of shares of ARS Convertible Exchangeable Preferred Stock (the "ARS Convertible Preferred Stock") or contributed to ATS (in the case of ARS options exchanged for ATS options). As a consequence of the CBS Merger, ATS ceased to be a subsidiary of, or otherwise affiliated with, American Radio and operates as an independent publicly traded company. Pursuant to the provisions of the CBS Merger Agreement, ATS entered into an agreement (the "ARS-ATS Separation Agreement") with CBS and ARS providing for, among other things, the allocation of certain tax liabilities to ATS, certain closing date adjustments relating to ARS, the lease to ARS by ATS of space on certain towers previously owned by ARS and transferred to ATS, the orderly separation of ARS and ATS, and certain indemnification obligations (including with respect to securities laws matters) of ATS.

ATS's principal obligation is to reimburse CBS on a "make-whole" (after tax) basis for the tax liabilities in excess of \$20.0 million incurred by ARS attributable to the distribution of the Common Stock to the ARS security holders and certain related transactions. The amount of that tax liability is dependent on the "fair market value" of the Common Stock at the time of the consummation of the CBS Merger. In light of the significant increase in the trading levels of the Class A Common Stock, ATS and CBS agreed that ARS will treat the tax reimbursement on its tax return on a more conservative basis than originally contemplated in order to avoid the possibility of significant interest and penalties for which ATS would be responsible. ATS received an appraisal from an independent appraisal firm that the "fair market value" of ARS's stock interest in ATS was equal to \$17.25 per share. Based on such appraisal, ARS paid estimated taxes of approximately \$212.0 million and was reimbursed therefor by ATS. Such taxes gave effect to estimated deductions of approximately \$85.1 million available to ARS.

as a consequence of the disqualification of ARS incentive stock options pursuant to the CBS Merger. ATS's reimbursement obligation with respect to such taxes would change by approximately \$21.0 million for each \$1.00 change in the "fair market value" of the Common Stock under the tax reporting method to be followed. The last quoted sale price per share of the Class A Common Stock in the "when-issued" over-the-counter market on June 4, 1998 was \$20.50. Such taxes did not include the taxes payable with respect to the shares of Class A Common Stock deliverable upon conversion of the ARS Convertible Preferred Stock; such taxes will be based on the "fair market value" of the Class A Common Stock at the time of conversion. Based on the closing per share price of the Class A Common Stock on June 15, 1998 of \$21.875, ATS estimates that its reimbursement obligation with respect to such taxes on ARS Convertible Preferred Stock will be approximately \$12.8 million under the tax reporting method to be followed. As required by the ARS-ATS Separation Agreement, ATS provided CBS with security of \$9.8 million in cash (which may be replaced at ATS's option with a letter of credit reasonably satisfactory to CBS) in connection with the filing of estimated tax returns based on such appraisal. Such appraisal is not, of course, binding on the Internal Revenue Service or other taxing authorities. For information with respect to possible challenges by the Internal Revenue Service (or other taxing authorities) to such appraisal and other positions, assumptions and interpretations of various income tax rules that were used in determining the amount of the estimated taxes, see "Risk Factors--Relationship Between ATS and ARS--Certain Contingent Liabilities" and "Relationship between ATS and ARS--Sharing of Tax and Other Consequences".

ARS has agreed that it will pursue, for the benefit and at the cost of ATS, a refund claim, attributable to the foregoing "make-whole" provision, estimated at approximately \$40.0 million, based on the appraised "fair market value" and the estimated taxes attributable to conversions of the ARS Convertible Preferred Stock set forth above. Any such refund claim will in fact be based on the actual amount of tax paid. In light of existing tax law, there can, of course, be no assurance that any such refund claim will be successful.

In connection with an inter-corporate taxable transfer of assets entered into in January 1998 by ATS in contemplation of the separation of ATS and ARS, a portion of the tax with respect to which ATS is obligated to indemnify CBS was incurred. Such transfer resulted in an increase in the tax bases of ATS's assets of approximately \$366.5 million. ATS will have potential depreciation and amortization deductions over the next 15 years of \$24.4 million per year resulting in a deferred tax asset of approximately \$135.0 million.

The ARS-ATS Separation Agreement also provides for closing date balance sheet adjustments based upon the working capital (current assets less defined liabilities) and specified debt levels of ARS. ATS will benefit from or bear the cost of such adjustments. ATS's preliminary estimate of such adjustments is that it will be required to make a payment of not more than \$50.0 million and that, in addition, it will be required to reimburse CBS for the tax consequences of any such payment. The estimated taxes and refund amount stated above include approximately \$33.0 million of taxes attributed to such \$50.0 million adjustment payment. Since the amounts of working capital and debt are dependent upon the uncertainty, among other things, of recent operating results and cash capital expenditures, as well as CBS Merger expenses, ATS is unable to state definitively what payments, if any, will be owed by ATS to CBS. See "Relationship Between ATS and ARS--Closing Date Adjustments".

On June 4, 1998, ATS entered into a stock purchase agreement (the "Interim Financing Agreement") with, among others, Credit Suisse First Boston Corporation, one of the Representatives of the several Underwriters, with respect to a preferred stock financing (the "Interim Financing") which provides for the issuance and sale by ATS of up to \$400.0 million of preferred stock (the "Interim Preferred Stock") to finance ATS's obligation to CBS with respect to tax reimbursement. Pursuant to the Interim Financing Agreement, ATS issued \$300.0 million of Interim Preferred Stock and used the proceeds to fund such tax reimbursement obligation, to pay the fees and other expenses of the issue and sale of such stock and to reduce bank borrowings. ATS intends to redeem the Interim Preferred Stock out of the proceeds of this Offering.

New Credit Facilities. On June 16, 1998, ATS entered into new loan arrangements (the "New Credit Facilities") with its senior lenders, pursuant to which the maximum borrowing of the Borrower Subsidiaries was increased from \$400.0 million to \$900.0 million, subject to compliance with certain financial ratios, of which \$125.0 million is outstanding in the form of a term loan, and ATS (the parent holding company) borrowed an additional \$150.0 million.

MANAGEMENT

The senior management of ATS consists of the following senior executive officers: Steven B. Dodge, Chairman of the Board of Directors, President and Chief Executive Officer; Douglas Wiest, Chief Operating Officer; Joseph L. Winn, Treasurer and Chief Financial Officer; James S. Eisenstein, Executive Vice President--Corporate Development; J. Michael Gearon, Jr., Executive Vice President of ATS, president of Gearon Communications, the site acquisition and development division of ATS, and a director; and Alan L. Box, Executive Vice President responsible for the video, voice and data transmission business of ATS and a director. ATS is managed through a central headquarters in Boston, but relies on four regional offices (located in Atlanta, Boston, Houston and the San Francisco Bay area) for marketing, operations and site management.

THE OFFERING

Class A Common Stock 20,000,000 shares by ATS(1)
 offered.....
 3,866,023 shares by the Selling Stockholders
 23,866,023 Total shares of Class A Common Stock

Common Stock to be
 outstanding after this
 Offering (2)..... 86,752,078 shares of Class A Common Stock
 8,972,847 shares of Class B Common Stock
 3,295,518 shares of Class C Common Stock
 99,020,443 Total shares of Common Stock

Voting rights.....
 With certain exceptions, the Class A Common Stock and the Class B Common Stock vote as a single class with each share of Class A Common Stock entitled to one vote and each share of Class B Common Stock entitled to ten votes. The holders of the Class A Common Stock, voting as a separate class, are entitled to elect two independent directors and Delaware corporate law and ATS's Restated Certificate of Incorporation (the "ATS Restated Certificate") require certain class votes. Assuming consummation of this Offering, approximately 44.5% of the total voting power will be owned by Steven B. Dodge and Thomas H. Stoner together with their affiliates. See "Principal and Selling Stockholders". The Class C Common Stock is nonvoting, except as otherwise required by law. The term "Common Stock" means the Class A Common Stock, the Class B Common Stock and the Class C Common Stock.

Other rights..... Each class of Common Stock has the same rights to dividends and upon liquidation. The Class B Common Stock cannot be sold or transferred, except to certain permitted transferees, and automatically converts into Class A Common Stock upon any other sale or transfer. The Class B Common Stock and the Class C Common Stock are convertible into Class A Common Stock on a share-for-share basis, subject, in the case of the one holder of Class C Common Stock, to certain conditions. See "Description of Capital Stock".

Trading Market.....
 The Class A Common Stock is traded on the New York Stock Exchange (the "NYSE"). The last quoted sales price per share on June 29, 1998 on the NYSE was \$22 7/8.
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- (1) Does not include 2,386,602 shares of Class A Common Stock issuable by ATS pursuant to the over-allotment option granted to the Underwriters.
- (2) Does not include (a) shares of Class A Common Stock issuable upon conversion of Class B Common Stock or Class C Common Stock, (b) 2,386,602 shares of Class A Common Stock issuable by ATS pursuant to the over-allotment option granted to the Underwriters, (c) an aggregate of 4,103,014 shares of Common Stock to be issued pursuant to the exercise of options issued in exchange for options previously outstanding as follows: (i) options to purchase 682,000 shares of Common Stock of ATSI, which were exchanged for options to purchase approximately 931,330 shares of Common Stock at a weighted average exercise price of \$4.17, or (ii) options to purchase 599,400 shares of ARS Common Stock, which were exchanged for options to purchase 1,862,806 shares of Common Stock at a weighted average exercise price of \$6.21, and (iii) options to purchase 6,500 shares of ATC Common Stock, which were exchanged for options to purchase 1,252,364 shares of Class A Common Stock at a weighted average exercise price of \$2.28, or (d) shares issuable pursuant to certain pending acquisitions.

Use of Proceeds.....

ATS estimates that it will receive net proceeds from this Offering of approximately \$417.1 million. It expects to use such net proceeds to redeem the Interim Preferred Stock at a price of 101% of the liquidation preference and to reduce bank borrowings; the proceeds of the Interim Preferred Stock were used to satisfy ATS's obligation to reimburse CBS for the tax liabilities required to be borne by ATS pursuant to the ARS-ATS Separation Agreement, to pay the fees and expenses associated with the Interim Financing and to reduce bank borrowings. ATS will not receive any proceeds from the sale of Class A Common Stock by the Selling Stockholders.

Risk Factors.....

For a discussion of certain risks investors should consider before investing in the Class A Common Stock, see "Risk Factors".

Dividend Policy.....

ATS does not intend to pay cash dividends on the Common Stock. Moreover, the New Credit Facilities restrict the payment of cash dividends by ATS.

SELECTED FINANCIAL DATA

The following Selected Financial Data of ATS has been derived from the consolidated financial statements of ATS included elsewhere in this Prospectus. The Selected Financial Data should be read in conjunction with ATS's audited and unaudited interim financial statements and the notes thereto and with "Management's Discussion and Analysis of Financial Condition and Results of Operations". The Selected Financial Data as of March 31, 1997 and 1998 are unaudited but, in the opinion of management, contain all adjustments necessary for a fair presentation in conformity with generally accepted accounting principles. The pro forma financial data with respect to the three months ended March 31, 1998 and year ended December 31, 1997 included below reflects certain adjustments, as explained elsewhere in this Prospectus, and therefore any comparison of such pro forma financial data with the Selected Financial Data appearing below for periods prior to 1997 is inappropriate. Such pro forma financial data gives effect to this Offering, the ATS Pro Forma Transactions and the CBS Merger, as described in the Notes to Unaudited Pro Forma Condensed Consolidated Statements of Operations of ATS. The ATS Pro Forma Transactions do not include all Recent Transactions or pending construction. See "Management's Discussion and Analysis of Financial Condition and Results of Operations".

The historical financial data presented below reflects periods during which ATS did not operate as an independent company. Therefore, such data may not reflect the results of operations or the financial condition which would have resulted if ATS had operated as a separate, independent company during such periods, and is not necessarily indicative of ATS's future results of operations or financial condition.

"Tower Cash Flow" means operating income (loss) before depreciation and amortization and corporate general and administrative expenses. "EBITDA" means operating income (loss) before depreciation and amortization. "After-tax cash flow" means income (loss) before extraordinary items, plus depreciation and amortization, less preferred stock dividends. All of such terms include deferred revenue attributable to certain leases. See Consolidated Statements of Cash Flow of American Tower Systems and Notes to Consolidated Financial Statements of American Tower Systems. ATS does not consider Tower Cash Flow, EBITDA and after-tax cash flow as, nor should they be considered in isolation from, or as a substitute for, alternative measures of operating results or cash flow from operating activities (as determined in accordance with generally accepted accounting principles ("GAAP")) or as a measure of ATS's profitability or liquidity. Although these measures of performance are not calculated in accordance with GAAP, ATS has included them because many of them are widely used in the communications site industry as a measure of a company's operating performance. More specifically, ATS believes they can assist in comparing company performance on a consistent basis without regard to depreciation and amortization, which can vary significantly depending on accounting methods (particularly where acquisitions are involved) or non-operating factors such as historical cost bases. Tower Cash Flow also excludes the effect of corporate general and administrative expenses, which generally do not relate directly to communications site performance.

SELECTED FINANCIAL DATA(1)

			YEAR ENDED DECEMBER 31, 1997		THREE MONTHS ENDED MARCH 31, HISTORICAL		THREE MONTHS ENDED MARCH 31, 1998
	JULY 17, 1995 THROUGH DECEMBER 31, 1995	YEAR ENDED DECEMBER 31, 1996	HISTORICAL	PRO FORMA(2)	1997	1998	PRO FORMA(2)
(IN THOUSANDS, EXCEPT PER SHARE DATA)							
STATEMENT OF OPERATIONS DATA:							
Net operating revenues..	\$ 163	\$2,897	\$ 17,508	\$ 94,922	\$1,366	\$17,925	\$25,089
Operating expenses:							
Operating expenses ex- cluding depreciation, amorti- zation and corporate general and administrative.....	60	1,362	8,713	50,182	538	11,495	13,887
Depreciation and amor- tization.....	57	990	6,326	54,896	504	5,802	14,555
Corporate general and administrative.....	230	830	1,536	4,536	280	541	1,541
	-----	-----	-----	-----	-----	-----	-----
Total operating ex- penses.....	347	3,182	16,575	109,614	1,322	17,838	29,983
	-----	-----	-----	-----	-----	-----	-----
Operating income (loss).....	(184)	(285)	933	(14,692)	44	87	(4,894)
Interest expense, net...	--	(36)	2,789	5,406	71	1,565	2,234
Other expense (income)...	--	--	15	15			
Minority interest in net earnings of subsidiar- ies(3).....	--	185	178	178	80	79	79
	-----	-----	-----	-----	-----	-----	-----
Loss before income tax- es.....	(184)	(434)	(2,049)	(20,291)	(107)	(1,557)	(7,207)
Benefit (provision) for income taxes.....	74	(46)	473	2,775	49	30	1,545
	-----	-----	-----	-----	-----	-----	-----
Loss before extraordi- nary item.....	\$(110)	\$ (480)	\$ (1,576)	\$(17,516)	\$ (58)	\$ (1,527)	\$(5,662)
	=====	=====	=====	=====	=====	=====	=====
Basic and diluted pro forma loss per common share before extraordi- nary item(4).....			\$ (0.03)	\$ (0.18)	--	\$ (0.03)	\$ (0.06)
			=====	=====	=====	=====	=====
Basic and diluted pro forma common shares outstanding.....			48,692	97,515	--	48,967	97,515
			=====	=====	=====	=====	=====
OTHER OPERATING DATA:							
Tower cash flow.....	\$ 103	\$1,535	\$ 8,795	\$ 44,740	\$ 828	\$ 6,430	\$11,202
EBITDA.....	(127)	705	7,259	40,204	548	5,889	9,661
EBITDA margin.....	(N/A)	24.3%	41.5%	42.4%	40.1%	32.9%	38.5%
After-tax cash flow.....	(53)	510	4,750	37,380	446	4,275	8,893
Cash provided by (used for) operating activities...	(51)	2,229	9,913	--	216	(1,737)	--
Cash used for investing activities.....	--	--	(216,783)	--	(3,346)	(91,835)	--
Cash provided by financ- ing activities.....	63	132	209,092	--	2,410	95,777	--
			1995 1996 1997 1998(5)				
			-----	-----	-----	-----	-----
TOWER DATA(5):							
Towers operated at beginning of period.....	--	3	269	671			
Towers acquired(6).....	3	265	321	1,043			
Towers constructed.....	--	1	81	90			
			---	---			
Towers operated at end of period.....	3	269	671	1,804			
	===	===	===	=====			
Aggregate towers constructed(7).....	3	31	240	90			
	===	===	===	=====			

MARCH 31, 1998

HISTORICAL PRO FORMA(2)

(IN THOUSANDS)

BALANCE SHEET DATA:

Cash and cash equivalents.....	\$ 6,800	\$ 76,111
Working capital, excluding current portion of long-term debt.....	(124,945)	64,465
Property and equipment, net.....	156,827	282,615
Total assets.....	533,014	1,118,074
Long-term debt, including current portion.....	157,150	135,432
Total stockholders' equity.....	233,317	844,616

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- (1) ATSI was organized on July 17, 1995 and American Radio contributed all of the issued and outstanding capital stock of ATSI to ATS on September 24, 1996. Year-to-year comparisons are significantly affected by the timing of acquisitions of communications sites and related businesses and construction of towers, both of which have been numerous during the period. The principal acquisitions made in 1996, 1997 and 1998 are described in "Business--Recent Transactions" and the Consolidated Financial Statements of ATS.
- (2) The unaudited pro forma Statement of Operations Data and Other Operating Data for the three months ended March 31, 1998 and the year ended December 31, 1997 give effect to the ATS Pro Forma Transactions, the CBS Merger, and this Offering, as if each of the foregoing had occurred on January 1, 1998 and January 1, 1997, respectively. The unaudited pro forma Balance Sheet Data as of March 31, 1998 gives effect to the ATC Merger (the only ATS Pro Forma Transactions not then consummated), the CBS Merger and this Offering, as if each of the foregoing had occurred on March 31, 1998. The term "ATS Pro Forma Transactions" means the Meridian Transaction, the Diablo Transaction, the MicroNet Transaction, the Tucson Transaction, the Gearon Transaction, the OPM Transaction, the ATC Merger, consummation of transactions contemplated by the Stock Purchase Agreement, and the transfer of towers (the "Transfer of Towers") from ARS to ATS. It does not include all of the Recent Transactions or pending construction. None of the foregoing data gives effect to the Interim Financing because the Interim Preferred Stock is to be redeemed out of the proceeds of this Offering. See "Business--Recent Transactions" and "Unaudited Pro Forma Condensed Consolidated Financial Statements of ATS".
- (3) Represents the elimination of the 49.9% member's earnings of ATS Needham, LLC, in which ATSLP holds a 50.1% interest and the elimination of the 30% member's loss of ATS/PCS (formerly Communications Systems Development LLC), in which ATSLP holds a 70% interest.
- (4) Pro forma basic and diluted loss per share has been computed using (a) in the case of historical information, the number of shares outstanding following the CBS Merger and (b) in the case of pro forma information, the number of shares expected to be outstanding following the CBS Merger and the transactions discussed in Note 2 above and the Notes to the Unaudited Pro Forma Condensed Consolidated Statement of Operations.
- (5) Includes information with respect to ATS only and is for the year shown, except 1998, which is as of May 1, and assumes consummation of all Recent Transactions then pending (including those of ATC), but does not include towers then under construction by ATS. See Note (7) below.
- (6) Includes towers managed for others (including rooftops), the management contracts for which were acquired, as follows; 1996--251 (217); 1997--86 (35); and 1998--155 (27).
- (7) Includes towers constructed in each period by ATS and all acquired (or to be acquired) companies, including, in certain cases, towers constructed for and owned by third parties.

RISK FACTORS

Investors should consider carefully the following factors, in addition to the other information contained in this Prospectus, before purchasing the securities offered hereby.

SUBSTANTIAL CAPITAL REQUIREMENTS AND LEVERAGE

ATS's acquisition and construction activities have created and will continue to create substantial ongoing capital requirements. During 1997, ATS made capital investments aggregating approximately \$184.1 million for acquisitions and approximately \$20.6 million for capital expenditures and construction, including site upgrades. ATS currently has under construction or plans to construct during 1998 between approximately 400 and 500 towers at an estimated aggregate cost of between approximately \$80.0 and \$100.0 million. In addition, ATS is actively seeking several major build to suit projects. Historically, ATS has financed its capital expenditures through a combination of bank borrowings, equity investments by ARS, and cash flow from operations. As of March 31, 1998, on a pro forma basis, giving effect to all then or currently pending Recent Transactions, the CBS Merger and the Interim Financing (but not planned construction and the use of proceeds of this Offering), ATS would have had aggregate borrowings of approximately \$393.4 million (exclusive of certain non-recourse debt), Interim Preferred Stock outstanding with an aggregate liquidation preference of \$300.0 million, and obligations under the ARS-ATS Separation Agreement with respect to closing date balance sheet adjustments estimated at not more than approximately \$50.0 million, as described elsewhere in this Prospectus. See "--Relationship between ATS and ARS--Certain Contingent Liabilities" below.

ATS expects that it will continue to be required to borrow funds to finance construction and acquisitions and that it will operate with substantial leverage. If ATS's revenues and cash flow do not meet current expectations, or if its borrowing base is reduced as a result of operating performance, ATS may have limited ability to access necessary capital. If such cash flow is not sufficient to meet its debt service requirements, ATS could be required to sell equity or debt securities, refinance its obligations or dispose of certain of its operating assets in order to make scheduled payments. There can be no assurance that ATS would be able to effect any such transactions on favorable terms.

On June 16, 1998, ATS entered into the New Credit Facilities with its senior lenders, pursuant to which the maximum borrowing capacity of the Borrower Subsidiaries was increased from \$400.0 million to \$900.0 million, subject to compliance with certain financial ratios, of which \$125.0 million is outstanding in the form of a term loan, and ATS (the parent holding company) borrowed an additional \$150.0 million. The New Credit Facilities include certain financial and operational covenants and other restrictions that must be satisfied. Included among such provisions are limitations on additional indebtedness, capital expenditures, uses of borrowed funds, permitted investments, and cash distributions. Such agreements also require the maintenance of certain financial ratios. The obligations of the borrowers under the New Credit Facilities are collateralized, among other things, by a first priority security interest in substantially all of the operating assets and property of the consolidated group.

Management believes that, upon consummation of this Offering, ATS will have available to it funds sufficient to finance current construction plans, to consummate pending acquisitions, to redeem the Interim Preferred Stock and to satisfy its obligation with respect to the closing date balance sheet adjustments under the ARS-ATS Separation Agreement. Should additional construction or acquisition opportunities become available, however, ATS might require additional financing during 1998. Any such financing could take the form of an increase in the maximum borrowing levels under the New Credit Facilities (which would be dependent on the ability to meet certain leverage ratios) or the issuance of debt or senior equity securities (which could have the effect of increasing consolidated leverage ratios) or Class A Common Stock, convertible securities or warrants (which would have a dilutive effect on the proportionate ownership of ATS of its then existing common stockholders). There can be no assurance that any such debt or equity financing would be available on favorable terms. See "Business--Growth Strategy--Growth by Construction" and "--Growth by Acquisition".

DEPENDENCE ON DEMAND FOR WIRELESS COMMUNICATIONS AND IMPLEMENTATION OF DIGITAL TELEVISION

The demand for rental space on ATS's towers is dependent on a number of factors beyond ATS's control. Such factors include the demand for wireless services by consumers, the financial condition and access to capital of wireless service providers, wireless service providers' preference for owning or leasing their communications sites, government licensing of broadcast rights, changes in Federal Communications Commission ("FCC") regulations, zoning and environmental regulations, and general economic conditions. A slowdown in the growth of wireless communications in the United States would depress network expansion activities and reduce the demand for ATS's antennae sites. In addition, the demand for ATS's antennae sites could be adversely affected by factors such as a downturn in a particular wireless segment, or of the number of carriers, nationally or locally, in a particular segment. Such a downturn could result from technological or other competition or other factors beyond the control of ATS. In addition, wireless service providers often enter into "roaming" and "resale" arrangements that permit providers to serve customers in areas where they do not have facilities. Specifically, in most cases, these arrangements are intended to permit a provider's customers to obtain service in areas outside the provider's license area or, in the case of resale arrangements, to permit a provider that has no licenses to enter the wireless marketplace. Current FCC rules, which are subject to sunset requirements that vary from service to service and market to market, also give licensed wireless service providers the right to enter into roaming and resale arrangements with other providers licensed to serve overlapping service areas. Such roaming and resale arrangements could be viewed by some wireless service providers as superior alternatives to constructing their own facilities or leasing antennae space on communications sites owned by ATS. If such arrangements were to become common, there could be a material adverse effect on ATS's prospects, financial condition and results of operations. See "Industry Overview".

The demand for rental space on ATS's towers is also dependent on the demand for tower sites by television and radio broadcasters. Many of the same factors described above are also applicable to television and radio broadcasters. ATS could also be affected adversely should the development of digital television be delayed or impaired, or if demand were to decrease because of industry delays in implementing the changes.

CONSTRUCTION OF NEW TOWERS

The success of ATS's growth strategy is highly dependent on its ability to complete new tower construction. Such construction can be prevented, delayed and/or made more costly by factors beyond the control of ATS. Among such factors are zoning and local permitting requirements, FCC and Federal Aviation Administration ("FAA") regulations, environmental group opposition, availability of erection equipment and skilled construction personnel, and adverse weather conditions. In addition, as the pace of tower construction has increased in recent years, manpower and equipment needed to erect towers have been in increasing demand. Such factors could increase costs and delay time schedules associated with new tower construction, either of which could have a material adverse effect on ATS's prospects, financial condition and results of operations. The anticipated increase in construction activity, both for ATS and the communications site industry generally, is likely to exacerbate significantly these factors. The construction of towers for the broadcasting industry could be particularly affected by a potential shortage of construction capability should a large number of towers be required to be built in a relatively short period of time to accommodate the initiation of digital television service. See "Business--Regulatory Matters".

In addition, the scope of ATS's 1998 and subsequent construction program is substantially greater than the combined past construction programs of ATS and the various companies that it has acquired or agreed to acquire, including Gearon and ATC. While ATS's construction program will be conducted and managed at a regional level, there can be no assurance that ATS has sufficient personnel resources to ensure the timely and efficient implementation of its construction program in a cost effective manner and the subsequent management of the substantially increased number of towers.

ATS competes for new tower construction sites with wireless service providers, site developers and other independent communications site operating companies. ATS believes that competition for tower construction

sites will increase and that additional competitors will enter the communications site market, certain of which may have greater financial and other resources than ATS.

In addition to competing for new tower construction sites, ATS faces strong competition for build to suit opportunities, principally from other independent communications site operators and site developers, certain of which have more extensive experience and offer a broader range of services (principally in constructing themselves rather than managing the construction of others) than ATS can presently offer.

Build to suit activities involve certain additional risks. Although such projects involve at least one "anchor" tenant, there can be no assurance that a sufficient number of additional tenants will be secured for all or most of the towers to be constructed pursuant to such projects (particularly the larger ones that ATS is seeking) to ensure that such projects will be profitable. Moreover, ATS may find that one of the reasons that carriers are willing to permit ATS to build towers for them is that certain or many of such towers may be on sites where it is either expensive or difficult to build or that such sites are unlikely to attract a sufficient number of other tenants to ensure profitability or adequate investment returns. In addition, as noted above, ATS's experience to date has been limited to projects of considerably smaller scope than the projects that it is negotiating and others on which it will be bidding.

Accordingly, there can be no assurance that ATS's construction program, including one or more of its build to suit projects, might not have a material adverse effect on ATS's prospects, financial condition and results of operations.

ACQUISITION STRATEGY

ATS has pursued, and intends to continue to pursue, its acquisition strategy. The risks inherent in such a strategy include increasing leverage and debt service requirements, combining disparate company cultures and facilities, and operating towers in many geographically diverse markets. Certain of these risks may be increased to the extent that ATS's acquisitions (such as the ATC Merger) are larger and/or involve communications sites in diverse geographic areas. In addition, management will be responsible for a substantially larger pool of assets than it has previously managed in the communications site industry. Accordingly, there can be no assurance that one or more of ATS's past or future acquisitions may not have a material adverse effect on its prospects, financial condition and results of operations.

ATS competes with certain wireless service providers, site developers and other independent tower owners and operators, as well as financial institutions, for acquisitions of towers and sites. Certain of those competitors have greater financial and other resources than ATS. The success of ATS's growth strategy continues to be dependent, although to a lesser extent than in the past, on its ability to identify and complete acquisitions. Increased competition, which ATS anticipates will occur, may result in fewer opportunities as well as higher prices. No assurance can be given that ATS will be able to identify, finance and complete acquisitions on acceptable terms.

RELATIONSHIP BETWEEN ATS AND ARS--CERTAIN CONTINGENT LIABILITIES

The ARS-ATS Separation Agreement requires ATS to reimburse CBS on a "make-whole" (after tax) basis for the tax liabilities to be incurred by ARS attributable to the distribution of the Common Stock to the ARS security holders and certain related transactions to the extent that the aggregate amount of taxes required to be paid by ARS exceeds \$20.0 million. The amount of that tax liability is dependent on the "fair market value" of the Common Stock at the time of the consummation of the CBS Merger. In light of the significant increase in the trading levels of the ATS Class A Common Stock, ATS and CBS agreed that ARS will treat the tax reimbursement on its tax return on a more conservative basis than originally contemplated in order to avoid the

possibility of significant interest and penalties for which ATS would be responsible. ATS received an appraisal from an independent appraisal firm that the "fair market value" of ARS's stock interest in ATS was equal to \$17.25 per share. Based on such appraisal, ARS paid estimated taxes of approximately \$212.0 million and was reimbursed therefor by ATS. Such taxes gave effect to estimated deductions of approximately \$85.1 million available to ARS as a consequence of the disqualification of ARS incentive stock options pursuant to the CBS Merger. ATS's reimbursement obligation with respect to such taxes would change by approximately \$21.0 million for each \$1.00 change in the "fair market value" of the Common Stock under the tax reporting method to be followed. The last quoted sale price per share of the Class A Common Stock in the when-issued over-the-counter market on June 4, 1998 was \$20.50. Such taxes did not include the taxes payable with respect to the shares of Class A Common Stock deliverable upon conversion of the ARS Convertible Preferred Stock; such taxes will be based on the "fair market value" of the Class A Common Stock at the time of conversion. Based on the closing per share price of the Class A Common Stock on June 15, 1998 of \$21.875, ATS estimates that its reimbursement obligation with respect to such taxes on ARS Convertible Preferred Stock will be approximately \$12.8 million under the tax reporting method to be followed. As required by the ARS-ATS Separation Agreement, ATS provided CBS with security of \$9.8 million in cash (which may be replaced at ATS's option with a letter of credit reasonably satisfactory to CBS) in connection with the filing of estimated tax returns based on such appraisal. Such appraisal is not, of course, binding on the Internal Revenue Service or other taxing authorities.

ARS has agreed that it will pursue, for the benefit and at the cost of ATS, a refund claim, attributable to the "make-whole" provision, estimated at approximately \$40.0 million, based on the appraised "fair market value" and the estimated taxes attributable to conversions of the ARS Convertible Preferred Stock set forth above. Any such refund claim will, in fact, be based on the actual amount of taxes paid. In light of existing tax law, there can, of course, be no assurance that any such refund claim will be successful.

Prospective investors should be aware that the Internal Revenue Service (or other taxing authorities) could challenge the factual or legal basis on which the estimates set forth above are based. For example, the Internal Revenue Service (or other taxing authorities) could assert that the fair market value of the Common Stock distributed by ARS was greater than the appraisal, basing such challenge on the fact that the trading levels of the Common Stock before or following the consummation of the CBS Merger both of which were significantly higher, or that the distribution represented a "control" block and therefore commanded a "premium" or that the "enterprise" value of ATS exceeded the aggregate market value. ATS is unable to state whether challenges will be made by the Internal Revenue Service (or other taxing authorities) to other positions taken by ARS (on behalf of and at the expense of ATS) on the tax returns or, if made, whether a court would sustain them. See "Relationship between ATS and ARS--Sharing of Tax and Other Consequences".

The ARS-ATS Separation Agreement also provides for closing date balance sheet adjustments based upon the working capital (current assets less defined liabilities) and specified debt levels of ARS. ATS will benefit from or bear the cost of such adjustments. ATS's preliminary estimate of such adjustments is that it will be required to make a payment of not more than \$50.0 million and that, in addition, it will be required to reimburse CBS for the tax consequences of such payment. The estimated taxes and refund amounts stated above include approximately \$33.0 million of taxes attributed to such \$50.0 million adjustment payment. Since the amounts of working capital and debt are dependent upon the uncertainty, among other things, of recent operating results and cash capital expenditures as well as CBS Merger expenses, ATS is unable to state definitively what payments, if any, will be owed by ATS. See "Relationship Between ATS and ARS--Closing Date Adjustments".

The ARS-ATS Separation Agreement also provides for the leasing by ATS to ARS of space (at below market rentals negotiated with CBS in September 1997) on 16 towers previously owned by ARS and transferred by ARS to ATS. See "Relationship Between ATS and ARS--Lease Arrangements".

DEPENDENCE ON KEY PERSONNEL

The implementation of ATS's growth strategy is dependent, to a significant degree, on the efforts of ATS's Chief Executive Officer and its other executive officers. ATS has not entered into employment agreements with

any of its executive officers, other than with J. Michael Gearon, Jr., the former principal stockholder and chief executive officer of Gearon & Co., Inc., and Douglas Wiest, the recently recruited Chief Operating Officer. Many of the executive and other officers have been granted options to purchase shares of Common Stock that are subject to vesting provisions generally over a five-year period. However, there can be no assurance that ATS will be able to retain such officers, the loss of whom could have a material adverse effect upon it, or that it will be able to prevent them from competing in the event of their departure. ATS does not maintain key man life insurance of any significance on the lives of any of such officers.

ENVIRONMENTAL MATTERS

Under various federal, state and local environmental laws, an owner or lessee of real estate may become liable for the costs of investigation, removal or remediation of soil and groundwater contaminated by certain hazardous substances or wastes. Certain of such laws impose cleanup responsibility and liability without regard to whether the owner or operator of the real estate knew of or was responsible for the contamination. Such liability may continue whether or not operations at the property have been discontinued or the property has been transferred. The owner or operator of contaminated real estate also may be subject to common law claims by third parties based on damages and costs resulting from off-site migration of the contamination. ATS may be potentially liable for environmental costs such as those discussed above.

CONTROL BY THE PRINCIPAL STOCKHOLDERS; RESTRICTIONS ON CHANGE OF CONTROL

On June 29, 1998, giving pro forma effect to the consummation of this Offering, Messrs. Dodge and Stoner, together with their affiliates (the "Principal Stockholders"), owned approximately 44.5% of the combined voting power of the Common Stock. See "Principal and Selling Stockholders".

Accordingly, the Principal Stockholders may, in effect, be able to control the vote on all matters submitted to a vote of the holders of the Common Stock, except with respect to (i) the election of two independent directors, and (ii) those matters that the ATS Restated Certificate or applicable law requires a 66 2/3% vote or a class vote. Control by the Principal Stockholders may have the effect of discouraging certain types of transactions involving an actual or potential change of control of ATS. See "Description of Capital Stock--Common Stock". The ATS Restated Certificate contains provisions limiting the aggregate voting ownership of Mr. Dodge (and his Controlled Entities as defined therein) and provides for the automatic conversion of all of his (and their) Class B Common Stock to Class A Common Stock should his voting percentage fall below certain specified amounts. See "Description of Capital Stock--Common Stock--ATS Merger Amendments".

The New Credit Facilities provide that a "Change of Control" (as defined therein) of ATS constitutes an "Event of Default". In addition, the Communications Act of 1934, as amended (the "Communications Act"), and the rules of the FCC require the prior consent of the FCC for any change of control of ATS. Finally, certain provisions of the Delaware law may have the effect of discouraging a third party from making an acquisition proposal for ATS and may thereby inhibit a change of control. See "Description of Capital Stock--Delaware Business Combination Provisions".

RISK ASSOCIATED WITH NEW TECHNOLOGIES

The emergence of new technologies could reduce the need for tower-based transmission and reception and, thereby, have a negative impact on ATS's operations. For example, the FCC has granted license applications for several low-earth orbiting satellite systems that are intended to provide mobile voice and/or data services. Although such systems are highly capital-intensive and are not yet commercially tested, mobile satellite systems could compete with land-based wireless communications systems, thereby reducing the demand for the infrastructure services provided by ATS. Additionally, the growth in delivery of video services by direct broadcast satellites and the development and implementation of signal combining technologies (which permit one antenna to service two different frequencies of transmission and, thereby, two customers) and satellite-delivery systems may reduce the need for tower-based broadcast transmission. The occurrence of any of these factors could have a material adverse effect on ATS's prospects, financial condition and results of operations.

CERTAIN PERCEIVED HEALTH RISKS

ATS and the lessees of antennae sites on its towers are subject to government regulations relating to radio frequency ("RF") emissions. In recent years, there have been several substantial studies by the scientific community investigating the potential connection between RF emissions and possible negative health effects, including cancer. The results of these studies have, to date, been inconclusive. ATS has not been subject to any claims relating to RF emissions, although it is possible that such claims may arise in the future. Since ATS does not maintain any significant insurance with respect to such matters, such claims, if substantiated, could have a material adverse effect on its prospects, financial condition and results of operations.

LACK OF DIVIDENDS; RESTRICTIONS ON PAYMENT OF DIVIDENDS AND REPURCHASE OF COMMON STOCK; DILUTION

ATS intends to retain any available earnings for the growth of its business and does not anticipate paying any cash dividends on the Common Stock in the foreseeable future. In addition, the New Credit Facilities restrict the payment of cash dividends or other distributions and the repurchase, redemption or other acquisition of equity securities of ATS. See "Description of Capital Stock--Dividend Restrictions". The public offering price exceeds the net tangible book value per share. Investors who purchase shares of Class A Common Stock in this Offering will sustain immediate and substantial dilution (approximately \$19.44 per share). See "Dilution".

POSSIBLE VOLATILITY OF STOCK PRICE

Investors may not be able to resell the shares of Class A Common Stock at or above the public offering price. Factors such as market conditions in the wireless communications industry may have a significant impact on the market price of the Class A Common Stock. Further, the stock market has experienced volatility that affects the market prices of companies in ways often unrelated to the operating performance of such companies. These market fluctuations may adversely affect the market price of the Class A Common Stock. There can be no assurance as to the price at which the Class A Common Stock will trade or as to the liquidity or volatility of any such trading market. Market prices might also be affected by shares available for future sale held by certain stockholders who hold freely saleable shares or who have registration rights. See "Shares Eligible for Future Sale".

USE OF PROCEEDS

The net proceeds to ATS from this Offering (after deduction of the underwriting discount and estimated offering expenses) are estimated to be approximately \$417.1 million (\$466.6 million if the Underwriters' over-allotment option is exercised in full). ATS expects to use such net proceeds to redeem the Interim Preferred Stock at a price of 101% of its liquidation preference and to reduce borrowings under the New Credit Facilities. Proceeds of the Interim Preferred Stock were used to reimburse CBS with respect to the taxes payable as a consequence of the separation of ARS and ATS pursuant to the CBS Merger, to pay the fees and expenses associated with the Interim Financing, to reduce bank borrowings, and to invest in short-term investment grade securities. The New Credit Facilities of the Borrower Subsidiaries provide for a total of \$900.0 million in credit facilities consisting of (i) a \$250.0 million multiple-draw term loan, (ii) a \$400.0 million reducing revolving credit facility, and (iii) a \$250.0 million 364-day revolving credit facility that converts to a term loan facility thereafter. The ATS New Credit Facility is a \$150.0 million single-draw term loan that has been fully borrowed. The New Credit Facilities bears interest at a rate of LIBOR plus 2.0% to 3.5% per annum through December 31, 1998 and matures December 31, 2006. Borrowings under the New Credit Facilities may be used to finance the construction of towers, ATS's remaining obligations with respect to acquisitions, and its obligations with respect to the closing date balance sheet adjustments under the ARS-ATS Separation Agreement. ATS may also utilize such borrowings to finance, among other things, acquisitions of additional communications sites or other related businesses. ATS is actively considering, and intends to continue actively considering, opportunities to acquire communication sites and related properties, including possible significant acquisitions ranging in size from several hundred towers to several thousand towers and from purchase prices of tens of millions of dollars to several hundred of millions of dollars. However, ATS has no binding commitments or agreements with respect to any material acquisition, except as otherwise described in this Prospectus. See "Business--Growth Strategy--Growth by Acquisition" and "--Recent Transactions".

As of March 31, 1998, on a pro forma basis, assuming consummation of the ATS Pro Forma Transactions and all other Recent Transactions, as well as the CBS Merger and the Interim Financing, but not this Offering, ATS would have had aggregate indebtedness under the New Credit Facilities of approximately \$393.4 million and Interim Preferred Stock outstanding with an aggregate liquidation preference of \$300.0 million. After giving effect to this Offering and assuming the use of the net proceeds described above, as of such date, on such pro forma basis, there would have been aggregate borrowings under the New Credit Facilities of approximately \$279.3 million and ATS would have owned short-term investment grade securities of approximately \$70.0 million. The Chase Manhattan Bank ("Chase") is a lender under the New Credit Facilities for the Borrower Subsidiaries and will receive its proportionate share (5.2%) of any repayments of borrowings. Chase is an affiliate of Chase Equity Associates. See "Management--Certain Transactions", "Principal and Selling Stockholders", "Relationship between ATS and ARS--Sharing of Tax and Other Consequences" and the Notes to Consolidated Financial Statements of American Tower.

ATS will not receive any proceeds from the sale of Class A Common Stock by the Selling Stockholders.

MARKET PRICES AND DIVIDEND POLICY

On February 27, 1998, the Class A Common Stock commenced trading on a "when-issued" basis on the inter-dealer bulletin board of the over-the-counter market. During the period from February 27, 1998 through June 4, 1998, the range of the high and low per share bid prices in such "when-issued" market was \$26 1/8 and \$15 1/2. The Class A Common Stock commenced trading on NYSE on June 5, 1998 (the day following consummation of the CBS Merger). During the period from June 5, 1998 through June 29, 1998, the range of the high and low per share closing prices as reported on NYSE was \$23 3/8 and \$21 1/8. On June 29, 1998, the per share closing price as reported on NYSE was \$22 7/8.

ATS has not paid a dividend on any class of its capital stock and anticipates that it will retain future earnings, if any, to fund the development and growth of its business. It does not anticipate paying cash dividends on shares of Common Stock in the foreseeable future. In addition, each Borrower Subsidiary is restricted under the New Credit Facilities from paying dividends on the stock (distributions to its partners, in the case of ATSLP) and repurchasing, redeeming or otherwise acquiring any shares of Common Stock (or partnership interests). Since ATS has no significant assets other than its ownership of various subsidiaries, all of which are so restricted, its ability to pay cash dividends in the foreseeable future is restricted. The New Credit Facilities also restrict the payment of cash dividends by ATS. See "Description of Capital Stock--Dividend Restrictions" and "Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources".

CAPITALIZATION

Prior to the consummation of the CBS Merger, ATS was operated as part of American Radio. The following table sets forth the capitalization of ATS as of March 31, 1998, and as adjusted to give effect to (a) the ATS Pro Forma Transactions, the CBS Merger and the Interim Financing and (b) this Offering, as if all of the foregoing had been consummated on March 31, 1998. See Notes to the Unaudited Pro Forma Condensed Consolidated Balance Sheet.

Management believes that the assumptions used provide a reasonable basis on which to present such pro forma capitalization. The capitalization table below should be read in conjunction with the historical financial statements of ATS, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Unaudited Pro Forma Condensed Consolidated Financial Statements of ATS". The capitalization table below is provided for informational purposes only and (i) is not necessarily indicative of ATS's capitalization or financial condition had the transactions and events referred to above been consummated on the date assumed, (ii) may not reflect the capitalization or financial condition which would have resulted had ATS been operated as a separate, independent company, and (iii) is not necessarily indicative of ATS's future capitalization or financial condition.

	MARCH 31, 1998		

	PRO FORMA FOR ATS	PRO FORMA	
	TRANSACTIONS, CBS	MERGER AND	PRO FORMA FOR
	HISTORICAL	INTERIM FINANCING	THIS OFFERING

	(IN THOUSANDS)		
Cash and cash equivalents.....	\$ 6,800	\$ 76,111	\$ 76,111
	=====	=====	=====
Interim Preferred Stock, due within			
one year(1)(4).....	\$ --	\$300,000	\$ --
	=====	=====	=====
Long term debt, including current			
portion(2)(3)			
Borrowings under the Loan			
Agreement.....	\$155,500	\$247,889	\$133,782
Other long-term debt.....	1,650	1,650	1,650
	-----	-----	-----
Total long-term debt.....	157,150	249,539	135,432
	-----	-----	-----
Stockholders' equity(2)(4)			
Common Stock(5)			
Class A Common Stock.....	364	651	851
Class B Common Stock.....	93	91	91
Class C Common Stock.....	33	33	33
Additional paid-in capital.....	286,589	444,121	861,028
Notes receivable, due from			
stockholders.....	(49,375)		
Accumulated deficit.....	(4,387)	(4,387)	(17,387)
	-----	-----	-----
Total stockholders' equity.....	233,317	440,509	844,616
	-----	-----	-----
Total capitalization.....	\$390,467	\$690,048	\$980,048
	=====	=====	=====

- (1) The ARS-ATS Separation Agreement requires ATS, among other things (a) to bear the tax consequences of the distribution by ARS to its security holders of the Common Stock owned by it to the extent that the aggregate amount of taxes required to be paid by ARS exceeds \$20.0 million, and (b) to bear the burden (or receive the benefit) of any closing date balance sheet adjustments based upon the working capital and specified debt levels of ARS. ATS issued \$300.0 million of the Interim Preferred Stock and used the proceeds to reimburse CBS for such tax liability, to pay the commitment and other fees and other expenses of the issue and sale of the Interim Preferred Stock and to reduce bank borrowings. ATS intends to finance the closing date balance sheet adjustments through bank borrowings; pro forma effect has been given to aggregate bank borrowings of approximately \$50.0 million in this capitalization table. See "Relationship between ATS and ARS--Sharing of Tax and Other Consequences" and "--Closing Date Adjustments".

- (2) For additional information, see "Unaudited Pro Forma Condensed Consolidated Financial Statements of ATS" and "Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources".
- (3) See Notes to Consolidated Financial Statements and "Indebtedness of ATS" for additional information regarding the components and terms of ATS's long-term debt. Approximately \$145.5 million of additional long-term borrowings are expected to be required (on a net basis) to finance (a) the Recent Transactions not included in the ATS Pro Forma Transactions and (b) the balance (approximately \$84.0 million) of the maximum purchase price of the OPM Transaction, assuming required cash flow levels are achieved. Such borrowings do not include approximately \$12.0 million of non-recourse indebtedness issued in connection with the Intracoastal Transaction. See "Business--Recent Transactions--Consummated Acquisitions".
- (4) Consists of (a) Preferred Stock, par value \$.01 per share, 20,000,000 authorized shares and 300,000 shares of Interim Preferred Stock issued and outstanding (pro forma) (see Note (1) above); (b) Class A Common Stock, par value \$.01 per share, 300,000,000 authorized shares; shares issued and outstanding: 36,351,266 (historical), 66,752,078 (pro forma), and 86,752,078 (pro forma for this Offering); (c) Class B Common Stock, par value \$.01 per share, 50,000,000 authorized shares; shares issued and outstanding: 9,320,576 (historical) and 8,972,847 (pro forma and pro forma for this Offering); and (d) Class C Common Stock, par value \$.01 per share, 10,000,000 authorized shares; shares issued and outstanding: 3,295,518 (historical, pro forma and pro forma for this Offering). The outstanding share information gives effect to all consummated Recent Transactions.
- (5) The number of outstanding shares does not include, except as otherwise indicated: (a) shares of Class A Common Stock issuable upon conversion of Class B Common Stock or Class C Common Stock, (b) shares issuable upon exercise of options currently outstanding to purchase an aggregate of 4,311,300 shares of Common Stock, (c) an aggregate of 4,103,014 shares of Common Stock to be issued pursuant to the exercise of options issued in exchange for options formerly outstanding as follows: (i) options to purchase 682,000 shares of Common Stock of ATSI, which were exchanged for options to purchase approximately 931,330 shares of Common Stock, (ii) options to purchase 599,400 shares of ARS Common Stock, which were exchanged for options to purchase 1,862,806 shares of Common Stock, and (iii) options to purchase 6,500 shares of ATC Common Stock, which were exchanged for options to purchase 1,252,364 shares of Common Stock, or (d) shares issuable pursuant to certain pending Recent Transactions. See the Notes to Consolidated Financial Statements and "Business--Recent Transactions--Pending Acquisitions".

DILUTION

As of March 31, 1998, the pro forma net tangible book value of ATS, after giving effect to the ATS Pro Forma Transactions and the CBS Merger, was negative \$176.6 million or negative \$2.28 per share of Common Stock. "Pro forma net tangible book value per share" represents the amount of total pro forma tangible assets (total) pro forma assets less pro forma goodwill and other pro forma intangible assets of ATS reduced by the amount of total pro forma liabilities and divided by the pro forma number of shares of Common Stock outstanding. After giving effect to the application of the net proceeds from the sale of 20,000,000 shares of Class A Common Stock by ATS contemplated hereby (after deduction of the underwriting discount, estimated offering expenses and 1% premium to redeem the Interim Preferred Stock), the as adjusted pro forma net tangible book value of ATS as of such date would have been positive \$237.5 million or positive \$2.44 per share. This represents an immediate increase in such pro forma net tangible book value of \$4.72 to existing stockholders and an immediate dilution in net tangible book value of \$19.44 per share to new investors purchasing shares in this Offering.

The following table illustrates the dilution per share as described above:

Public offering price per share.....	\$21.875

Pro forma net tangible book value per share before this Offer-	
ing.....	(2.28)
Increase attributable to this Offering.....	4.72

As adjusted pro forma net tangible book value per share after this	
Offering.....	2.44

Dilution to new investors.....	\$19.44
	=====

Based on the foregoing assumptions, the following table sets forth, as of the closing of this Offering, the number of shares of Common Stock acquired from ATS, the total consideration paid to ATS by the existing stockholders and the new investors purchasing shares of Class A Common Stock from ATS in this Offering and the average price per share paid by each group:

	SHARES OF COMMON STOCK ACQUIRED		TOTAL CONSIDERATION		AVERAGE PRICE
	NUMBER(1)	PERCENT	\$(2)	PERCENT	PER SHARE OF COMMON STOCK
	-----	-----	-----	-----	-----
Existing stockholders(3)....	79,020	80%	\$444.9	50%	\$ 5.63
New investors.....	20,000	20	437.5	50	21.875
	-----	---	-----	---	-----
Total.....	99,020	100%	\$882.4	100%	\$ 8.91
	=====	===	=====	===	=====

(1) In Thousands.

(2) In Millions.

(3) Pro forma to reflect the ATS Pro Forma Transactions and the CBS Merger.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF ATS

The following unaudited pro forma condensed consolidated financial statements of ATS consist of an unaudited pro forma condensed consolidated balance sheet as of March 31, 1998 and an unaudited pro forma condensed consolidated statement of operations for the three months ended March 31, 1998 and the year ended December 31, 1997 adjusted for the ATS Pro Forma Transactions, the CBS Merger including the issuance of \$300.0 million of Interim Preferred Stock and payments required under the ARS-ATS Separation Agreement, and this Offering, as if such transactions had been consummated on January 1, 1998 and January 1, 1997, respectively, with respect to the unaudited pro forma condensed consolidated statements of operations, and March 31, 1998 with respect to the unaudited pro forma condensed consolidated balance sheet. With respect to acquisitions, the pro forma statements give effect only to the ATS Pro Forma Transactions based on their significance in relation to all of ATS's acquisitions and, therefore, do not include all Recent Transactions. The unaudited pro forma condensed consolidated balance sheet and the unaudited pro forma condensed consolidated statements of operations should be read in conjunction with ATS's consolidated financial statements and notes thereto, as well as the financial statements and notes thereto of certain businesses that have been or may be acquired, which are included elsewhere in this Prospectus. The unaudited pro forma condensed consolidated balance sheet and the unaudited pro forma condensed consolidated statement of operations are not necessarily indicative of the financial condition or the results of operations that would have been reported had such events actually occurred on the date specified, nor are they indicative of the results of operations that would have resulted had ATS been operated as a separate, independent company during such periods, and are not necessarily indicative of ATS's future financial conditions or results of operations.

In reviewing the unaudited pro forma condensed consolidated financial statements set forth below, in addition to the assumptions and other matters noted in the above paragraph and in the notes to the unaudited pro forma condensed consolidated financial statements, it should be noted that estimated incremental costs that will be incurred because ATS will be an independent company have been reflected in the pro forma adjustments. However, there can be no assurance that actual incremental costs for such independent operation will not exceed such estimated amounts.

AMERICAN TOWER CORPORATION

(FORMERLY AMERICAN TOWER SYSTEMS CORPORATION)

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET

MARCH 31, 1998
(IN THOUSANDS)

	HISTORICAL	ADJUSTMENTS FOR ATS PRO FORMA TRANSACTIONS AND CBS MERGER(A)	PRO FORMA FOR ATS PRO FORMA TRANSACTIONS AND CBS MERGER(A)	ADJUSTMENTS FOR THIS OFFERING(B)	PRO FORMA
ASSETS					
Cash and cash equivalents.....	\$ 6,800	\$ 69,311	\$ 76,111		\$ 76,111
Accounts receivable, net.....	5,742	1,084	6,826		6,826
Other current assets....	4,427	984	5,411		5,411
Notes receivable.....	1,000		1,000		1,000
Property and equipment, net.....	156,827	125,788	282,615		282,615
Intangible assets, net..	229,189	387,893	617,082	\$ (10,000)	607,082
Deferred income taxes...	123,273	10,000	133,273		133,273
Deposits and other assets.....	5,756		5,756		5,756
Total.....	\$533,014	\$ 595,060	\$1,128,074	\$ (10,000)	\$1,118,074
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current liabilities, excluding current portion of long-term debt.....	\$141,914	\$(118,031)	\$ 23,883		\$ 23,883
Interim preferred stock, due within one year....		300,000	300,000	\$(300,000)	--
Deferred income taxes...		113,326	113,326		113,326
Other long-term liabilities.....	33	184	217		217
Long-term debt, including current portion....	157,150	92,389	249,539	(114,107)	135,432
Minority interest in subsidiaries.....	600		600		600
Stockholders' equity....	233,317	207,192	440,509	404,107	844,616
Total.....	\$533,014	\$ 595,060	\$1,128,074	\$ (10,000)	\$1,118,074

See Notes to Unaudited Pro Forma Condensed Consolidated Balance Sheet.

NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET

The unaudited pro forma condensed consolidated balance sheet as of March 31, 1998 gives effect to the consummation of the ATC Merger (collectively, with the Diablo Transaction, the Meridian Transaction, the MicroNet Transaction, the Gearon Transaction, the OPM Transaction, the Tucson Transaction, the Transfer of Towers from ARS to ATS, and the transactions contemplated by the Stock Purchase Agreement, the "ATS Pro Forma Transactions"), the CBS Merger (including the issuance of \$300.0 million of Interim Preferred Stock and payments required under the ARS-ATS Separation Agreement) and this Offering, as if each of the foregoing had occurred on March 31, 1998. See "Business--Recent Transactions" for a description of each of the transactions included in the ATS Pro Forma Transactions.

(a) The following table sets forth the pro forma balance sheet adjustments with respect to the ATS Pro Forma Transactions (the ATC Merger being the only then-unconsummated ATS Pro Forma Transaction) and the CBS Merger as of March 31, 1998. (In thousands).

	ATC MERGER(I)	CBS MERGER(II)	TOTAL
	-----	-----	-----
ASSETS			
Cash and cash equivalents.....	\$ 1,111	\$ 68,200	\$ 69,311
Accounts receivable, net.....	1,084		1,084
Other current assets.....	984		984
Property and equipment, net.....	125,788		125,788
Intangible assets, net.....	377,893	10,000	387,893
Deferred income taxes.....		10,000	10,000
	-----	-----	-----
Total.....	\$506,860	\$ 88,200	\$ 595,060
	=====	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities, excluding current portion of long-term debt.....	\$ 3,969	\$(122,000)	\$(118,031)
Interim preferred stock, due within one year...		300,000	300,000
Deferred income taxes.....	113,326		113,326
Other long-term liabilities.....	184		184
Long-term debt, including current portion.....	91,789	50,000	141,789
Stockholders' equity.....	297,592	(139,800)	157,792
	-----	-----	-----
Total.....	\$506,860	\$ 88,200	\$ 595,060
	=====	=====	=====

(i) In connection with the ATC Merger, a deferred tax liability of \$113.3 million will be established for the differences in bases for book and tax purposes resulting from the transaction. The working capital deficiency of ATC at March 31, 1998 (\$1.0 million) has also been recorded as a pro forma adjustment.

(ii) The ARS-ATS Separation Agreement requires ATS to reimburse CBS on a "make-whole" (after tax) basis for the tax liabilities to be incurred by ARS attributable to the distribution of the Common Stock to the ARS security holders and certain related transactions to the extent that the aggregate amount of taxes required to be paid by ARS exceeds \$20.0 million. The amount of that tax liability is dependent on the "fair market value" of the Common Stock at the time of the consummation of the CBS Merger. ATS received an appraisal from an independent appraisal firm that the "fair market value" of ARS's stock interest in ATS was equal to \$17.25 per share. Based on such appraisal, ARS paid estimated taxes of approximately \$212.0 million and was reimbursed therefor by ATS. Such taxes gave effect to estimated deductions of approximately \$85.1 million available to ARS as a consequence of the disqualification of ARS incentive stock options pursuant to the CBS Merger. ATS's reimbursement obligation with respect to such taxes would change by approximately \$21.0 million for each \$1.00 change in the "fair market value" of the Common Stock under the tax reporting method to be followed. The last quoted sale price per share of the Class A Common Stock in the when-issued over-the-counter market on June 4, 1998 was \$20.50. Such taxes did not include the taxes payable with respect to the shares of Class A Common Stock deliverable upon conversion of the ARS Convertible Preferred Stock; such taxes will be based on the "fair market value" of the Class A Common Stock at the time of conversion. Based on the closing per share price of the Class A Common Stock on June 15, 1998 of \$21.875, ATS estimates that its reimbursement obligation with respect to such taxes on ARS Convertible Preferred Stock will be approximately \$12.8 million under the tax reporting method to be followed. As required by the ARS-ATS Separation Agreement, ATS provided CBS with security of \$9.8 million in cash (which may be replaced at ATS's option with a letter of credit reasonably satisfactory to CBS) in connection with the filing of estimated tax returns based on such appraisal. Such appraisal is not, of course, binding on the Internal Revenue Service or other taxing authorities. For information with respect to possible challenges by the Internal Revenue Service (or other taxing authorities) to such appraisal and other positions, assumptions and interpretations of various income tax rules that were used in determining the amount of the estimated taxes, see "Risk Factors--Relationship between ATS and ARS--Certain Contingent Liabilities" and "Relationship between ATS and ARS--Sharing of Tax and Other Consequences". In June 1998, ATS issued \$300.0 million of

the Interim Preferred Stock and used the proceeds to fund its tax reimbursement obligation, to pay the commitment and other fees and other expenses of the issue and sale of the Interim Preferred Stock and to reduce bank borrowings. The proceeds of this Offering will be used principally to redeem the Interim Preferred Stock at a price equal to 101% of the liquidation preference together with accrued and unpaid dividends.

The ARS-ATS Separation Agreement also provides for closing date balance sheet adjustments based upon the working capital (current assets less defined liabilities) and specified debt levels of ARS. ATS will benefit from or bear the cost of such adjustments. ATS's preliminary estimate of such adjustments is that it will be required to make a payment of not more than \$50.0 million and that, in addition, it will be required to reimburse CBS for the tax consequences of such payment. The estimated taxes stated above include approximately \$33.0 million of taxes attributed to such \$50.0 million adjustment payment. ATS intends to finance such obligations through bank borrowings; pro forma effect has been given to aggregate bank borrowings of approximately \$50.0 million in the pro forma balance sheet. Since the amounts of working capital and debt are dependent upon the uncertainty, among other things, of recent operating results and cash capital expenditures as well as CBS Merger expenses, ATS is unable to state definitively what payments, if any, will be owed by ATS. See "Relationship between ATS and ARS--Closing Date Adjustments".

In connection with an inter-corporate taxable transfer of assets entered into in January 1998 by ATS in contemplation of the separation of ATS and ARS, a portion of the tax with respect to which ATS is obligated to indemnify CBS was incurred. Such transfer resulted in an increase in the tax basis of ATS's assets of approximately \$366.5 million. Management currently believes that ATS will have potential depreciation and amortization deductions over the next 15 years of \$24.4 million per year resulting in a deferred tax asset of approximately \$135.0 million. As of March 31, 1998, ATS had recorded a deferred tax asset of approximately \$125.0 million to reflect these potential depreciation and amortization deductions. An additional \$10.0 million deferred tax asset has been recorded in the March 31, 1998 proforma condensed consolidated balance sheet to reflect the Company's current estimate.

All of the ATS Pro Forma Transactions (other than the Transfer of Towers) have been or will be accounted for under the purchase method of accounting. The Transfer of Towers from ARS to ATS will be recorded at the historical depreciated net book value of such towers on the books of ARS on the date of transfer.

The following table describes the financing of the transactions described above.

	PURCHASE PRICE	BORROWINGS BY ATS	COMMON STOCK ISSUED BY ATS
	-----	-----	-----
	(IN THOUSANDS)		
Tucson Transaction.....	\$12,000	\$12,000	
Gearon Transaction.....	80,000(i)	32,000	\$48,000(i)
OPM Transaction.....	21,306	21,306	
ATC Merger.....	503,681(ii)	91,789	287,824(ii)

- - - - -

(i) Purchase price includes approximately 5.3 million shares valued at \$9.00 per share.

(ii) Purchase price includes approximately 28.8 million shares valued at \$10.00 per share, the estimated fair value when the ATC Merger Agreement was signed.

On January 22, 1998, ATS issued Common Stock pursuant to the Stock Purchase Agreement for an aggregate of \$80.0 million, \$79.4 million net of expenses (of which approximately \$49.4 million was paid in the form of secured notes due and paid upon consummation of the CBS Merger and the balance in cash).

ATS issued a total of 62,115,719 shares of Common Stock to effect all of the transactions described above. The following shares have been or will be issued: the Gearon Transaction (5,333,333), the ATC Merger (28,782,386), the Stock Purchase Agreement (8,000,000), and this Offering (20,000,000).

While the ATS Pro Forma Transactions do not constitute all of the Recent Transactions, management believes that the impact of the Recent Transactions that are not included in the pro forma financial information on revenues, expenses and income from continuing operations, when compared to those that are so included, is not likely to be material. The ATS Pro Forma Transactions, exclusive of the ATC Merger, represented approximately 80% of the more than 550 sites acquired since January 1, 1997 and 85% of the aggregate purchase price thereof. In addition, the ATC Merger (which is included in the ATS Pro Forma Transactions) represented the acquisition of approximately 950 communications sites (including ATC's pending acquisitions involving approximately 35 sites) for approximately 30.0 million shares of Class A Common Stock and the repayment of approximately \$125.0 million of debt. For information with respect to other acquisitions that are not included in the ATS Pro Forma Transactions and are, in the aggregate, of materially less significance than the ATC Merger, see "Business--Recent Transactions--Consummated Acquisitions" and "--Pending Acquisitions".

(b) To record the effect of the issuance of 20,000,000 shares of Common Stock and the net proceeds (approximately \$417.1 million) of this Offering less the write-off of issuance costs related to the Interim Preferred Stock (\$10.0 million) and a 1% premium to redeem the Interim Preferred Stock (\$3.1 million).

AMERICAN TOWER CORPORATION

(FORMERLY AMERICAN TOWER SYSTEMS CORPORATION)

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 1997
(IN THOUSANDS, EXCEPT PER SHARE DATA)

	HISTORICAL	ADJUSTMENTS FOR ATS PRO FORMA TRANSACTIONS AND CBS MERGER(A)	PRO FORMA FOR ATS PRO FORMA TRANSACTIONS AND CBS MERGER	ADJUSTMENTS FOR THIS OFFERING(B)	PRO FORMA
Net revenues.....	\$17,508	\$ 77,414	\$ 94,922		\$ 94,922
Operating expenses.....	8,713	41,469	50,182		50,182
Depreciation and amortization.....	6,326	48,570	54,896		54,896
Corporate general and administrative expenses.....	1,536	3,000	4,536		4,536
Operating income (loss).....	933	(15,625)	(14,692)		(14,692)
Other expense:					
Interest expense, net.....	2,789	55,947	58,736	\$(53,330)	5,406
Other expense.....	15		15		15
Minority interest in net earnings of subsidiaries.....	178		178		178
Total other expense (income).....	2,982	55,947	58,929	(53,330)	5,599
Income (loss) before income taxes.....	(2,049)	(71,572)	(73,621)	53,330	(20,291)
Income tax benefit (provision).....	473	6,014(c)	6,487	(3,712)(c)	2,775
Income (loss) before extraordinary item.....	\$(1,576)	\$(65,558)	\$(67,134)	\$ 49,618	\$(17,516)
Pro forma basic and diluted loss per common share before extraordinary item.....			\$ (0.87)		\$ (0.18)
Pro forma common shares outstanding(d).....			77,515	20,000	97,515

See Notes to Unaudited Pro Forma Condensed Consolidated Statement of
Operations.

NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

The unaudited pro forma condensed consolidated statement of operations for the year ended December 31, 1997 gives effect to the ATS Pro Forma Transactions, the CBS Merger and this Offering, as if each of the foregoing had occurred on January 1, 1997.

(a) To record the results of operations for the ATS Pro Forma Transactions and the CBS Merger. The results of operations have been adjusted to: (i) reverse historical interest expense of \$6.5 million; (ii) record interest expense of \$7.9 million for the year ended December 31, 1997, as a result of approximately \$61.0 million of additional net debt to be incurred in connection with the ATS Pro Forma Transactions, after giving effect to the proceeds from the issuance of Common Stock pursuant to the Stock Purchase Agreement for an aggregate purchase price of \$80.0 million, \$79.4 million net of expenses (of which approximately \$49.4 million was paid in the form of secured notes (which were paid upon consummation of the CBS Merger) and the balance in cash); (iii) record additional interest expense related to dividends on the Interim Preferred Stock at an effective annual rate of 11.35% and the amortization of the estimated issuance costs incurred in connection with issuance of the Interim Preferred Stock for the entire period presented; and (iv) record interest expense related to additional long-term borrowings incurred to pay an estimated closing date balance sheet adjustment of approximately \$50.0 million. Because the Interim Preferred Stock is required to be redeemed in one year, ATS has elected to reflect the dividend as interest expense. Each 1/4% change in the interest rate applicable to the change in floating rate debt would increase or decrease, as appropriate, the net adjustment to interest expense by approximately \$0.2 million.

The results of operations have also been adjusted to reverse historical depreciation and amortization expense of \$9.1 million for the year ended December 31, 1997 and record depreciation and amortization expense of \$48.6 million for the year ended December 31, 1997 based on estimated allocations of purchase prices. Depreciation expense for property, plant and equipment acquired has been determined based on an average life of 15 years. Costs of acquired intangible assets for the transactions are amortized over 15 years. The preliminary estimates of the fair value of property, plant and equipment and intangible assets may change upon final appraisal. The depreciation adjustment also includes the effects of the assumed transfer by ARS to ATS of 16 towers with a historical net book value of \$4.2 million, representing an additional equity investment in ATS by ARS.

A portion of corporate general and administrative expenses of the prior owners has not been carried forward into the pro forma condensed financial statements as these costs represent duplicative facilities and compensation to owners and/or executives not retained by ATS. Because ATS already maintains its own separate corporate headquarters which provides services substantially similar to those represented by these costs, they are not expected to recur following the acquisition. After giving effect to an estimated \$3.0 million of incremental costs, ATS believes that it has existing management capacity sufficient to provide such services without incurring additional incremental costs.

The following table sets forth the historical results of operations for the ATS Pro Forma Transactions and the CBS Merger for the year ended December 31, 1997 (In Thousands).

	MERIDIAN TRANSACTION	DIABLO TRANSACTION	MICRONET TRANSACTION	TUCSON TRANSACTION	GEARON TRANSACTION	OPM TRANSACTION
Net revenues.....	\$2,385	\$6,957	\$15,103	\$1,460	\$29,930	\$ 863
Operating expenses.....	1,730	4,876	8,695	453	19,688	1,146
Depreciation and amortization.....	211	393	2,626	166	186	428
Corporate general and administrative.....	-----	500	-----	-----	-----	488
Operating income (loss).....	444	1,188	3,782	841	10,056	(1,199)
Other (income) expense:						
Interest expense, net..	80	110		198		636
Other expense (in- come).....	-----	(133)	(34)	(12)	(95)	(16)
Income (loss) from oper- ations before income taxes.....	\$ 364	\$1,211	\$ 3,816	\$ 655	\$10,151	\$(1,819)
	=====	=====	=====	=====	=====	=====

	ATC MERGER	TRANSFER OF TOWERS	STOCK PURCHASE AGREEMENT	CBS MERGER	PRO FORMA ADJUSTMENTS	TOTAL
	-----	-----	-----	-----	-----	-----
Net revenues.....	\$20,006	\$ 710				\$ 77,414
Operating expenses.....	4,138	743				41,469
Depreciation and amortization.....	4,903	215			\$ 39,442	48,570
Corporate general and administrative.....	3,183				(1,171)	3,000
	-----	-----			-----	-----
Operating income (loss).....	7,782	(248)			(38,271)	(15,625)
Other (income) expense: Interest expense (in- come), net.....	5,439		\$(6,352)	\$ 48,050(i)	7,786	55,947
Other expense (in- come).....	514				(224)	
	-----	-----	-----	-----	-----	-----
Income (loss) from oper- ations before income taxes.....	\$ 1,829	\$(248)	\$ 6,352	\$(48,050)	\$(45,833)	\$(71,572)
	=====	=====	=====	=====	=====	=====

(i) Assumes the Interim Preferred Stock remains outstanding during the entire period presented and full amortization of deferred issuance costs.

(b) To record the elimination of the Interim Preferred Stock dividends and the pro forma effect to interest expense from the repayment of approximately \$68.4 million of debt with proceeds from this Offering. An extraordinary loss aggregating \$13.0 million relating to the redemption of the Interim Preferred Stock has not been reflected.

(c) To record the tax effect of the pro forma adjustments and impact on ATS's estimated effective tax rate. The actual effective tax rate may be different once the final allocation of purchase price is determined.

(d) Includes shares issued or expected to be issued pursuant to the Gearon Transaction (5,333,333), the ATC Merger (28,782,386), the Stock Purchase Agreement (8,000,000), and this Offering (20,000,000).

AMERICAN TOWER CORPORATION

(FORMERLY AMERICAN TOWER SYSTEMS CORPORATION)

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE THREE MONTHS ENDED MARCH 31, 1998
(IN THOUSANDS, EXCEPT PER SHARE DATA)

	HISTORICAL	ADJUSTMENTS FOR ATS PRO FORMA TRANSACTIONS AND CBS MERGER(A)	PRO FORMA FOR ATS PRO FORMA TRANSACTIONS AND CBS MERGER	ADJUSTMENTS FOR THIS OFFERING(B)	PRO FORMA
Net revenues.....	\$17,925	\$ 7,164	\$ 25,089		\$25,089
Operating expenses.....	11,495	2,392	13,887		13,887
Depreciation and amortization.....	5,802	8,753	14,555		14,555
Corporate general and administrative expenses.....	541	1,000	1,541		1,541
Operating income (loss).....	87	(4,981)	(4,894)		(4,894)
Other expense:					
Interest expense, net.....	1,565	21,347	22,912	\$(20,678)	2,234
Other expense.....					
Minority interest in net earnings of subsidiaries.....	79		79		79
Total other expense (income).....	1,644	21,347	22,991	(20,678)	2,313
Income (loss) before income taxes.....	(1,557)	(26,328)	(27,885)	20,678	(7,207)
Income tax benefit (provision).....	30	2,428(c)	2,458	(913)(c)	1,545
Income (loss) before extraordinary item.....	\$(1,527)	\$(23,900)	(\$25,427)	\$ 19,765	\$(5,662)
Pro forma basic and diluted loss per common share before extraordinary item.....			\$ (0.33)		\$ (0.06)
Pro forma common shares outstanding(d).....			77,515	20,000	97,515

See Notes to Unaudited Pro Forma Condensed Consolidated Statement of
Operations.

NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

The unaudited pro forma condensed consolidated statement of operations for the three months ended March 31, 1998 gives effect to the ATS Pro Forma Transactions, the CBS Merger and this Offering, as if each of the foregoing had occurred on January 1, 1998.

(a) To record the results of operations for the ATS Pro Forma Transactions and the CBS Merger. The results of operations have been adjusted to: (i) reverse historical interest expense of \$1.8 million; (ii) record interest expense of \$2.0 million for the three months ended March 31, 1998, as a result of approximately \$42.4 million of additional net debt to be incurred in connection with the ATS Pro Forma Transactions, after giving effect to the proceeds from the issuance of Common Stock pursuant to the Stock Purchase Agreement for an aggregate purchase price of \$80.0 million, \$79.4 million net of expenses (of which approximately \$49.4 million was paid in the form of secured notes (which were paid upon consummation of the CBS Merger) and the balance in cash); (iii) record additional interest expense related to dividends on the Interim Preferred Stock at an effective annual rate of 11.35% and the amortization of the estimated issuance costs incurred in connection with issuance of the Interim Preferred Stock for the entire period presented; and (iv) record interest expense related to additional long-term borrowings incurred to pay an estimated closing date balance sheet adjustment of approximately \$50.0 million. Because the Interim Preferred Stock is required to be redeemed in one year, ATS has elected to reflect the dividend as interest expense. Each 1/4% change in the interest rate applicable to the change in floating rate debt would increase or decrease, as appropriate, the net adjustment to interest expense by approximately \$0.03 million.

The results of operations have also been adjusted to reverse historical depreciation and amortization expense of \$1.8 million for the three months ended March 31, 1998 and record depreciation and amortization expense of \$8.7 million for the three months ended March 31, 1998 based on estimated allocations of purchase prices. Depreciation expense for property, plant and equipment acquired has been determined based on an average life of 15 years. Costs of acquired intangible assets for the transactions are amortized over 15 years. The preliminary estimates of the fair value of property, plant and equipment and intangible assets may change upon final appraisal. The depreciation adjustment also includes the effects of the transfer by ARS to ATS of 16 towers with a historical net book value of \$4.2 million, representing an additional equity investment in ATS by ARS.

A portion of corporate general and administrative expenses of the prior owners has not been carried forward into the pro forma condensed financial statements as these costs represent duplicative facilities and compensation to owners and/or executives not retained by ATS. Because ATS already maintains its own separate corporate headquarters which provides services substantially similar to those represented by these costs, they are not expected to recur following the acquisition. After giving effect to an estimated \$3.0 million of incremental costs, ATS believes that it has existing management capacity sufficient to provide such services without incurring additional incremental costs.

The following table sets forth the historical results of operations for the ATS Pro Forma Transactions (that were un consummated as of January 1, 1998) and the CBS Merger for the three months ended March 31, 1998. (In thousands).

	GEARON TRANSACTION	ATC MERGER	CBS MERGER	PRO FORMA ADJUSTMENTS	TOTAL
Net revenues.....	\$ 904	\$6,260			\$ 7,164
Operating expenses.....	1,087	1,305			2,392
Depreciation and amorti- zation.....	19	1,755		\$ 6,979	8,753
Corporate general and ad- ministrative.....		862		138	1,000
Operating income (loss)..<	(202)	2,338		(7,117)	(4,981)
Other (income) expense:					
Interest expense (in- come), net.....	(17)	1,791	\$ 19,382(i)	191	21,347
Other expense (in- come).....	574			(574)	
Income (loss) from opera- tions before income tax- es.....	\$(759)	\$ 547	\$(19,382)	\$(6,734)	\$(26,328)

(i) Assumes the Interim Preferred Stock remains outstanding during the entire period presented and full amortization of deferred issuance costs.

(b) To record the elimination of the Interim Preferred Stock dividends and the pro forma effect to interest expense from the repayment of approximately \$114.1 million of debt with proceeds from this Offering. An extraordinary loss aggregating \$13.0 million relating to the redemption of the Interim Preferred Stock has not been reflected.

(c) To record the tax effect of the pro forma adjustments and the impact on ATS's estimated effective tax rate. The actual effective tax rate may be different once the final allocation of purchase price is determined.

(d) Includes shares issued or expected to be issued pursuant to the Gearon Transaction (5,333,333), the ATC Merger (28,782,386), the Stock Purchase Agreement (8,000,000), and this Offering (20,000,000).

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

GENERAL

This discussion contains "forward-looking statements," including statements concerning projections, plans, objectives, future events or performance and underlying assumptions and other statements which are other than statements of historical fact. ATS wishes to caution readers that certain important factors may have affected and could in the future affect ATS's actual results and could cause ATS's actual results for subsequent periods to differ materially from those expressed in any forward-looking statement made by or on behalf of ATS. These important factors include, among others, the risk factors set forth herein under "Risk Factors". The discussion should be read in conjunction with the American Tower Systems Consolidated Financial Statements and the notes thereto contained elsewhere in this Prospectus. As ATS was a wholly-owned subsidiary of American Radio during the periods presented, the consolidated financial statements may not reflect the results of operations or financial position of ATS had it been an independent, public company during such periods. Because of ATS's relatively brief operating history and the large number of recent acquisitions, the following discussion, which relates solely to ATS on an historical basis and does not include acquired companies, is presented to satisfy certain disclosure requirements of the Securities and Exchange Commission (the "SEC" or the "Commission") and will not necessarily reveal any significant developing or continuing trends. See "Business--Growth Strategy".

ATS was formed in July 1995 to capitalize on the opportunity in the communications site industry. ATS is a leading independent owner and operator of wireless communications towers in the United States. On a pro forma basis, ATS currently owns and operates more than 1,800 towers in 44 states and the District of Columbia. ATS's rapid growth is a result primarily of numerous acquisitions during 1996, 1997 and 1998. During 1996, ATS acquired approximately 15 communications sites and site management businesses involving approximately 250 sites for an aggregate purchase price of approximately \$21.0 million. During 1997, its acquisition and construction activity accelerated and ATS acquired or constructed approximately 400 communications sites (and related site management businesses) and its initial site acquisition and voice, video and data transmission businesses. Since January 1, 1998, exclusive of the ATC Merger, ATS has acquired approximately 150 communications sites, a major site acquisition business, and a third teleport. The ATC Merger involved the acquisition of approximately 950 communications towers (including pending acquisitions of approximately 35 towers) in exchange for the issuance of approximately 30.0 million shares of Class A Common Stock and the repayment of approximately \$118.0 million of debt. ATS has acquisitions pending for approximately 40 additional towers.

RESULTS OF OPERATIONS

Management expects that acquisitions consummated to date, particularly the ATC Merger, will have a material impact on future revenues, expenses and income from continuing operations. As indicated in the Unaudited Pro Forma Condensed Consolidated Statement of Operations for the three months ended March 31, 1998 and the year ended December 31, 1997, there is a dramatic difference between the historical results and the pro forma results for each of the foregoing items. The notes to the Unaudited Pro Forma Condensed Consolidated Statement of Operations for the three months ended March 31, 1998 and the year ended December 31, 1997 indicate the effect of certain of the acquisitions, and their impact on revenues, expenses and income from continuing operations. In that connection, the increase in operating expenses and, to a greater extent, depreciation and amortization, each as a percentage of net revenues in the pro forma information compared to the historical information, should be noted. While the ATS Pro Forma Transactions do not constitute all of the Recent Transactions, management believes that the impact of the Recent Transactions that are not included in the pro forma financial information on revenues, expenses and income from continuing operations, when compared to those that are so included, is not likely to be material. The ATS Pro Forma Transactions, exclusive of the ATC Merger, represent approximately 80% of the more than 550 communications sites acquired since January 1, 1997 and ATS's site acquisition and voice, video and data transmission businesses, and 85% of the aggregate purchase price thereof. In addition, the ATC Merger (which is included in the ATS Pro Forma Transactions) represented

the acquisition of approximately 950 communications towers (including pending acquisitions of approximately 35 towers) for approximately 30.0 million shares of Class A Common Stock and the repayment of approximately \$118.0 million of debt. For information with respect to consummated and pending acquisitions that are not included in the ATS Pro Forma Transactions and are, in the aggregate, of materially less significance, see "Business--Recent Transactions". Finally, the impact of the construction program of ATS is not reflected to any significant extent in the pro forma information because most of that activity is of more recent origin and is expected to accelerate substantially in 1998. Management believes that potential investors should be aware of the dramatic changes in the nature and scope of ATS's business in reviewing the ensuing discussion of comparative historical results.

THREE MONTHS ENDED MARCH 31, 1998 AND 1997 (DOLLARS IN THOUSANDS)

As of March 31, 1998, ATS operated approximately 880 communications sites principally in the Northeast and Mid-Atlantic regions, Florida and California. As of March 31, 1997, ATS operated approximately 270 communications sites, principally in the Northeast and Mid-Atlantic regions and Florida. See the Notes to the Consolidated Financial Statements for a description of the acquisitions consummated in 1998. These transactions have significantly affected operations for the three months ended March 31, 1998 as compared to the three months ended March 31, 1997.

	THREE MONTHS ENDED			
	MARCH 31,		AMOUNT OF	PERCENTAGE
	1997	1998	INCREASE (DECREASE)	INCREASE (DECREASE)
Tower rental and management revenues...	\$1,365	\$ 9,493	\$ 8,128	595.5%
Site acquisition service revenues.....	--	5,275	5,275	
Video, voice and data transmission revenues.....	--	3,142	3,142	
Other.....	1	15	14	1,400.0%
Total operating revenues.....	1,366	17,925	16,559	1,212.2%
Tower rental and management expenses...	538	4,899	4,361	810.6%
Site acquisition service expenses.....	--	4,544	4,544	
Video, voice and data transmission expenses.....	--	2,052	2,052	
Operating expenses excluding depreciation and amortization and corporate general and administrative expenses...	538	11,495	10,957	2,036.6%
Depreciation and amortization.....	504	5,802	5,298	1,051.2%
Corporate general and administrative expenses.....	280	541	261	93.2%
Interest expense, net.....	71	1,565	1,494	2,104.2%
Minority interest in net earnings of subsidiaries.....	80	79	(1)	(1.3)%
Income tax benefit.....	49	30	(19)	(38.8)%
Net loss.....	\$ (58)	\$(1,527)	\$ 1,469	2,532.8%
Tower cash flow.....	\$ 828	\$ 6,430	\$ 5,602	676.6%
EBITDA.....	\$ 548	\$ 5,889	\$ 5,341	974.6%

As noted above, ATS consummated numerous acquisitions in 1997 and 1998, many of which were of a material size. Except as explained below, substantially all of the increases indicated in the above table were attributable to the impact of these communications sites and related business acquisitions, principally those that occurred in 1997 and 1998. The increase in site acquisition service revenues and expenses is attributable to the Gearon acquisition that occurred in January 1998, and, to a substantially lesser extent, the impact of a May 1997 acquisition of two similar businesses. The increase in video, voice and data transmission revenues and expenses is attributable to an acquisition that occurred in October 1997. The increase in depreciation and amortization is primarily attributable to the increase in depreciable and amortizable assets resulting from the 1997 and 1998 acquisitions, and, to a substantially lesser extent, completed construction projects. The increase in corporate

general and administrative expense is primarily attributable to the higher personnel costs associated with supporting ATS's greater number of tower properties and growth strategy. The increase in interest expense, net, relates to higher borrowing levels which were used to finance 1998 and, to a substantially lesser extent, 1997 acquisitions. The minority interest in net earnings of subsidiaries represents the elimination of the minority stockholders' earnings of consolidated subsidiaries. The effective tax rate benefit for the three months ended March 31, 1998 was approximately 2% as compared to 46% for the three months ended March 31, 1997. The effective rate benefit in 1998 is due to the effect of non-deductible items, principally amortization of goodwill, on certain stock acquisitions for which no tax benefit was recorded.

YEAR ENDED DECEMBER 31, 1997 AND 1996 (DOLLARS IN THOUSANDS)

As of December 31, 1997, ATS operated approximately 670 communications sites principally in the Northeast and Mid-Atlantic regions, Florida and California. As of December 31, 1996, ATS operated approximately 270 communications sites, principally in the Northeast and Mid-Atlantic regions and Florida. See the Notes to Consolidated Financial Statements for a description of the acquisitions consummated in 1997 and 1996. These transactions have significantly affected operations for the year ended December 31, 1997 as compared to the year ended December 31, 1996.

	1996	1997	AMOUNT OF INCREASE (DECREASE)	PERCENTAGE INCREASE (DECREASE)
Tower rental and management revenues.....	\$2,817	\$13,025	\$10,208	362.4%
Site acquisition service revenues.....	--	2,123	2,123	
Video, voice and data transmission revenues.....	--	2,084	2,084	
Other.....	80	276	196	245.0%
Total operating revenues.....	2,897	17,508	14,611	504.3%
Tower rental and management expenses.....	1,362	6,080	4,718	346.4%
Site acquisition service expenses.....	--	1,360	1,360	
Video, voice and data transmission expenses.....	--	1,273	1,273	
Operating expenses excluding depreciation and amortization and corporate general and administrative expenses..	1,362	8,713	7,351	539.7%
Depreciation and amortization.....	990	6,326	5,336	539.0%
Corporate general and administrative expenses.....	830	1,536	706	85.1%
Interest expense (income), net.....	(36)	2,804	2,840	N/A
Minority interest in net earnings of subsidiaries..	185	178	(7)	(3.8%)
Income tax benefit (provision).....	(46)	473	519	N/A
Extraordinary loss.....	--	694	694	
Net loss.....	\$ (480)	\$(2,270)	\$ 1,790	372.9%
Tower cash flow.....	\$1,535	\$ 8,795	\$ 7,260	473.0%
EBITDA.....	\$ 705	\$ 7,259	\$ 6,554	930.0%

As noted above, ATS consummated numerous acquisitions in 1997 and 1996, many of which were of a material size. Except as explained below, substantially all of the increases indicated in the above table were attributable to the impact of these communications sites and related business acquisitions, principally those that occurred in 1997. The increase in depreciation and amortization was primarily attributable to the increase in depreciable and amortizable assets resulting from the 1996 and 1997 acquisitions and, to a substantially lesser extent, completed construction projects. The increase in corporate general and administrative expenses was primarily attributable to the higher personnel costs associated with supporting ATS's greater number of tower properties and growth strategy. The increase in interest expense related to higher borrowing levels which were used to finance 1997 and, to a substantially lesser extent, the 1996 acquisitions. The minority interest in net earnings of subsidiaries represents the elimination of the minority stockholder's earnings of consolidated subsidiaries. The increase is related to increased overall earnings of ATS Needham, LLC, in which ATS holds a

50.1% interest. The effective tax rate for the year December 31, 1997 was approximately 23%. The effective tax rate in 1997 is due to the effect of non-deductible items, principally amortization of goodwill, on certain stock acquisitions. In 1996, ATS recorded a tax provision of approximately \$46,000 despite a loss before taxes of approximately \$434,000. This primarily resulted from non-deductible items, principally amortization of goodwill for which no tax benefit was recorded. The extraordinary loss in 1997, of approximately \$0.7 million net of tax, represents the write-off of deferred financing fees associated with ATS's loan agreement.

YEAR ENDED DECEMBER 31, 1996 AND PERIOD ENDED DECEMBER 31, 1995 (DOLLARS IN THOUSANDS)

As of December 31, 1996, ATS operated approximately 270 communications sites principally in the Northeast and Mid-Atlantic regions and Florida. As of December 31, 1995, ATS operated three wireless communications sites in Florida. See the Notes to Consolidated Financial Statements for a description of the acquisitions consummated in 1996. These transactions have significantly affected operations for the year ended December 31, 1996 as compared to the period from July 17, 1995 (date of incorporation) to December 31, 1995.

	1995	1996	AMOUNT OF INCREASE (DECREASE)	PERCENTAGE INCREASE (DECREASE)
	-----	-----	-----	-----
Total operating revenues.....	\$ 163	\$2,897	\$2,734	1,677.3%
Operating expenses excluding depreciation and amortization and corporate general and administrative expenses.....	60	1,362	1,302	2,170.0%
Depreciation and amortization.....	57	990	933	1,636.8%
Corporate general and administrative ex- penses.....	230	830	600	260.9%
Interest expense (income), net.....	--	(36)	(36)	
Minority interest in net earnings of sub- sidiary.....	--	185	185	
Income tax benefit (provision).....	74	(46)	(120)	N/A
	-----	-----	-----	
Net loss.....	\$(110)	\$ (480)	\$ 370	336.4%
	=====	=====	=====	
Tower cash flow.....	\$ 103	\$1,535	\$1,432	1,390.3%
	=====	=====	=====	
EBITDA.....	\$(127)	\$ 705	\$ 832	N/A
	=====	=====	=====	

As noted above, ATS consummated several acquisitions in 1996, two of which were of a material size. Except as explained below, substantially all of the increases indicated in the above table were attributable to the impact of these communications sites and related business acquisitions that occurred in 1996. The increase in depreciation and amortization was primarily attributable to the increase in depreciable and amortizable assets resulting from the 1996 acquisitions. The increase in corporate general and administrative expense was primarily attributable to the higher personnel costs associated with supporting ATS's greater number of tower properties. The increase in interest income was attributable to higher investable cash balances. The minority interest in net earnings of subsidiary represents the elimination of the minority stockholder's earnings of consolidated subsidiaries. ATS purchased its 50.1% interest in ATS Needham, LLC, in July 1996. In 1996, ATS recorded a tax provision of approximately \$46,000 despite a loss before taxes of approximately \$434,000. This primarily resulted from non-deductible items, principally amortization of goodwill for which no tax benefit was recorded. The effective tax rate in 1995 was consistent with the statutory rate.

LIQUIDITY AND CAPITAL RESOURCES

ATS's liquidity needs arise from its acquisition-related activities, debt service, working capital, and capital expenditures. Historically, ATS has met its operational liquidity needs with internally generated funds and has financed the acquisition of tower related properties, including related working capital needs, with a combination of contributions from American Radio and bank borrowings. For the three months ended March 31, 1998, cash flows used for operating activities were \$1.7 million, as compared to \$0.2 million of cash flows from operating activities in 1997. The change is primarily attributable to working capital investments related to communications site acquisitions and growth.

Cash flows used for investing activities were \$91.8 million for the three months ended March 31, 1998 as compared to \$3.3 million for the three months ended March 31, 1997. The increase in 1998 is due to the acquisition and construction activity in 1998 as compared to 1997.

Cash flows provided by financing activities were \$95.8 million for the three months ended March 31, 1998 as compared to \$2.4 million in 1997. The increase in 1998 is due principally to the impact of borrowings under the Loan Agreement and proceeds from the sale of common stock pursuant to the ATS Stock Purchase Agreement.

CBS Merger: As a consequence of the consummation of the CBS Merger, all of the shares of ATS owned by ARS were or will be distributed to ARS common stockholders and holders of options to acquire ARS Common Stock or upon conversion of shares of ARS Convertible Preferred Stock, or in the case of ARS options exchanged for ATS options, contributed to ATS. As a consequence of the CBS Merger, ATS ceased to be a subsidiary of, or otherwise affiliated with, American Radio and operates as an independent publicly traded company. Pursuant to the provisions of the CBS Merger Agreement, ATS entered into the ARS-ATS Separation Agreement with CBS and ARS providing for, among other things, the allocation of certain tax liabilities to ATS, certain closing date adjustments relating to ARS, the lease to ARS by ATS of space on certain towers previously owned by ARS and transferred to ATS, the orderly separation of ARS and ATS, and certain indemnification obligations (including with respect to securities laws matters) of ATS.

ATS's principal obligation is to reimburse CBS on a "make-whole" (after tax) basis for the tax liabilities in excess of \$20.0 million to be incurred by ARS attributable to the distribution of the Common Stock to the ARS security holders and certain related transactions. The amount of that tax reimbursement obligation is dependent on the "fair market value" of the Common Stock at the time of the consummation of the CBS Merger. In light of the significant increase in the trading levels of the Class A Common Stock, ATS and CBS have agreed that ARS will treat the tax reimbursement on its tax return on a more conservative basis than originally contemplated in order to avoid the possibility of significant interest and penalties for which ATS would be responsible. ATS received an appraisal from an independent appraisal firm that the "fair market value" of ARS's stock interest in ATS was equal to \$17.25 per share. Based on such appraisal, ARS paid estimated taxes of approximately \$212.0 million and was reimbursed therefor by ATS. Such taxes gave effect to estimated deductions of approximately \$85.1 million available to ARS as a consequence of the disqualification of ARS incentive stock options pursuant to the CBS Merger. ATS's reimbursement obligation with respect to such taxes would change by approximately \$21.0 million for each \$1.00 change in the "fair market value" of the Common Stock under the tax reporting method to be followed. The last quoted sale price per share of the Class A Common Stock in the when-issued over-the-counter market on June 4, 1998 was \$20.50. Such taxes did not include the taxes payable with respect to the shares of Class A Common Stock deliverable upon conversion of the ARS Convertible Preferred Stock; such taxes on ARS Convertible Preferred Stock will be based on the "fair market value" of the Class A Common Stock at the time of conversion. Based on the closing per share price of the Class A Common Stock on June 15, 1998 of \$21.875, ATS estimates that its reimbursement obligation with respect to such taxes on ARS Convertible Preferred Stock will be approximately \$12.8 million under the tax reporting method to be followed. As required by the ARS-ATS Separation Agreement, ATS provided CBS with security of \$9.8 million in cash (which may be replaced at ATS's option with a letter of credit reasonably satisfactory to CBS) in connection with the filing of estimated tax returns based on such appraisal. Such appraisal is not, of course, binding on the Internal Revenue Service or other taxing authorities. For information with respect to possible challenges by the Internal Revenue Service (or other taxing authorities) to such appraisal and other positions, assumptions and interpretations of various income tax rules that were used in determining the amount of the estimated taxes, see "Risk Factors--Relationship between ATS and ARS--Certain Contingent Liabilities" and "Relationship between ATS and ARS--Sharing of Tax and Other Consequences".

ARS has agreed that it will pursue, for the benefit and at the cost of ATS, a refund claim, attributable to the "make whole" provision, estimated at approximately \$40.0 million, based on the assumed "fair market value" and the estimated taxes attributable to conversions of the ARS Convertible Preferred Stock set forth above. Any such refund claim will, in fact, be based on the actual amount of tax paid. In light of existing tax law, there can, of course, be no assurance that any such refund claim will be successful.

In connection with an inter-corporate taxable transfer of assets entered into in January 1998 by ATS in contemplation of the separation of ATS and ARS, a portion of the tax with respect to which ATS is obligated to indemnify CBS was incurred. Such transfer resulted in an initial increase in the tax basis of ATS's assets of approximately \$330.0 million. Based on the current estimate of \$366.5 million, ATS will have potential depreciation and amortization deductions over the next 15 years of \$24.4 million per year resulting in a deferred tax asset and corresponding liability due to ARS of approximately \$135.0 million to reflect these transactions. As of March 31, 1998, ATS had recorded a deferred tax asset of approximately \$125.0 million to reflect these potential depreciation and amortization deductions. An additional \$10.0 million deferred tax asset will be recorded during the second quarter of 1998 to reflect the Company's current estimate.

The ARS-ATS Separation Agreement also provides for closing date balance sheet adjustments based upon the working capital (current assets less defined liabilities) and specified debt levels of ARS. ATS will benefit from or bear the cost of such adjustments. ATS's preliminary estimate of such adjustments is that it will be required to make a payment of not more than \$50.0 million and that, in addition, it will be required to reimburse CBS for the tax consequences of any such payment. The estimated taxes and refund amount stated above include approximately \$33.0 million of taxes attributed to such \$50.0 million adjustment payment. Since the amounts of working capital and debt are dependent upon the uncertainty, among other things, of recent operating results and cash capital expenditures, as well as CBS merger expenses, ATS is unable to state definitively what payments will be owed by ATS to CBS. See "Relationship between ATS and ARS--Closing Date Adjustments".

On June 4, 1998, ATS entered into the Interim Financing Agreement for the Interim Financing providing for the issue and sale by ATS of up to \$400.0 million of Interim Preferred Stock in order to finance ATS's obligation to CBS with respect to tax reimbursement. Pursuant to such agreement, ATS issued \$300.0 million of the Interim Preferred Stock and used the proceeds to fund such tax reimbursement obligation, to pay the commitment and other fees and other expenses of the issue and sale of the Interim Preferred Stock and to reduce bank borrowings. The proceeds of this Offering will be used principally to redeem the Interim Preferred Stock at a price equal to 101% of the liquidation preference together with accrued and unpaid dividends. ATS intends to fund the closing date balance sheet adjustments through bank borrowings.

Stock Purchase Agreement: In January 1998, ATS issued 8,000,000 shares of Common Stock at a purchase price of \$10.00 per share, for an aggregate purchase price of \$80.0 million, of which an aggregate of 4,487,500 shares of Class B Common Stock and 450,000 shares of Class A Common Stock were issued in exchange for an aggregate of \$49.4 million of notes secured by ARS Common Stock having a market value of not less than 175% of the principal amount and accrued and unpaid interest on such notes. The notes were paid out of the proceeds to such purchasers of the CBS Merger. These transactions will increase ATS's ability to fund acquisitions and meet its liquidity and capital resource needs. See "Business--Recent Transactions--Stock Purchase Agreement".

Loan Arrangements: In October 1997, ATSI entered into a loan agreement (the "1997 Loan Agreement") that provided ATSI with a \$250.0 million loan commitment based on it maintaining certain operational ratios and an additional \$150.0 million loan at the discretion of ATS, which is available through June 2005. Following the closing of the 1997 Loan Agreement and repayment of amounts outstanding under the previous agreement, ATSI incurred an extraordinary loss in the fourth quarter of 1997 of approximately \$1.2 million, that was recorded net of the applicable income tax benefit of \$0.7 million, representing the write-off of deferred financing fees associated with the previous facility. The terms of the 1997 Loan Agreement are discussed in the Notes to Consolidated Financial Statements. As of March 31, 1998, ATS had approximately \$157.1 million of total long-term debt, of which approximately \$155.5 million represented borrowings outstanding under the 1997 Loan Agreement. As of such date, assuming consummation of all of the then or currently pending acquisitions, the CBS Merger and the Interim Financing (but not the consummation of this Offering), the aggregate amount of long-term debt would have been approximately \$393.4 million and Interim Preferred Stock with an aggregate liquidation preference of \$300.0 million would have been outstanding. In January 1998, the 1997 Loan Agreement was amended to reflect the transfer of substantially all of the assets and business of ATSI

(immediately prior to consummation of the Gearon Transaction) to ATSLP, as a consequence of which ATSI and ATSLP became co-borrowers and jointly and severally liable under the 1997 Loan Agreement and various subsidiaries of ATS and ATSI guaranteed all of the obligations of ATSI and ATSLP under the 1997 Loan Agreement.

On June 16, 1998, ATS and the Borrower Subsidiaries entered into definitive agreements with respect to the New Credit Facilities. The New Credit Facilities with ATS provide for a \$150.0 million term loan maturing at the earlier of (i) eight and one-half years or (ii) December 31, 2006, amortizing quarterly in an amount equal to 2.5% of the principal amount outstanding at June 30, 2001 at the end of each quarter between such date and June 30, 2006, both inclusive, and the balance in two equal installments on September 30 and December 31, 2006. The ATS New Credit Facility was fully drawn at closing and provides for interest rates determined, at the option of ATS, of either the LIBOR Rate (as to be defined) plus 3.50% or the Base Rate (as to be defined) plus 2.5%. The New Credit Facilities with the Borrower Subsidiaries provide for \$900.0 million credit facilities maturing at the earlier of (a) eight years or (b) June 30, 2006 consisting of the following: (i) a \$250.0 million multiple-draw term loan, (ii) a \$400.0 million reducing revolving credit facility and (iii) a \$250.0 million 364-day revolving credit facility that converts to a term loan facility thereafter. The Borrower Subsidiaries borrowed \$125.0 in the form of a term loan and an additional approximately \$19.0 million under the revolving credit arrangements that was repaid out of the proceeds of the Interim Preferred Stock sale. The interest rate provisions are similar to those in the Loan Agreement, except that the range over the Base Rate is between 0.00% and 1.250% and the range over the LIBOR Rate is between 0.750% and 2.250%. Borrowings under the Borrower Subsidiaries' New Credit Facilities are conditioned upon compliance with certain financial ratios and are required to be repaid, commencing June 30, 2001, in increasing quarterly amounts designed to amortize the loans at maturity. The loans to ATS and the Borrower Subsidiaries are cross-guaranteed and cross-collateralized by substantially all of the assets of the consolidated group. The Borrower Subsidiaries are required to pay quarterly commitment fees equal to 0.375% or 0.250% per annum, depending on their consolidated financial leverage, on the aggregate unused portion of the aggregate commitment (other than, until taken down, the 364-day facility on which it is 0.125% until so taken down). Other provisions of the Borrower Subsidiaries' New Credit Facilities are comparable to the 1997 Loan Agreement, although the financial and other covenants are somewhat more favorable to the Borrower Subsidiaries in certain respects, including an increase of the Total Debt (of the Borrower Subsidiaries and their Restricted Subsidiaries) to Annualized Operating Cash Flow ratio from 6.0:1 to 6.5:1 and the inclusion of a Total Debt (of ATS and its Restricted Subsidiaries) to Annualized Operating Cash Flow ratio of 8.0:1. The New Credit Facility of ATS restricts the payment of cash dividends and other distributions and the redemption, purchase or other acquisition of equity securities. See "Description of Capital Stock--Dividend Restrictions". In connection with the repayment of borrowings under the 1997 Loan Agreement out of proceeds of borrowings under the New Credit Facilities, ATS will recognize an extraordinary loss of approximately \$1.4 million, net of a tax benefit of \$0.9 million, during the second quarter of 1998. See "Indebtedness of ATS".

During 1997, ATS built or had under construction approximately 80 towers and had additional capital expenditures of approximately \$20.6 million. During 1998, ATS plans to build or commence construction of between approximately 400 and 500 towers (most of which are on a build to suit basis) at an estimated aggregate cost of between approximately \$80.0 to \$100.0 million.

A substantial portion of ATS's cash flow from operations is required for debt service. Accordingly, ATS's leverage could make it vulnerable to a downturn in the operating performance of its towers or in general economic conditions. ATS believes that its cash flows from operations will be sufficient to meet its debt service requirements for interest and scheduled payments of principal under the New Credit Facilities. If such cash flows were not sufficient to meet such debt service requirements, ATS might be required to sell equity securities, refinance its obligations or dispose of communications sites or other businesses in order to make such scheduled payments. There can be no assurance that ATS would be able to effect any of such transactions on favorable terms.

ATS historically has had sufficient cash from its operations to meet its working capital needs, including normal capital expenditures, but excluding financing of acquisitions and construction, and believes that it has sufficient financial resources available to it, including borrowings under the New Credit Facilities, to finance operations for the foreseeable future.

ATS intends to finance its obligations, estimated at approximately \$145.5 million, under pending acquisitions and the balance (approximately \$84.0 million) of the maximum purchase price of the OPM Transaction (assuming required cash flow levels are achieved) out of the proceeds of borrowings under the New Credit Facilities.

Management believes that, upon consummation of this Offering, ATS will have sufficient funds available to it in order to finance current construction plans and pending acquisitions, to redeem the Interim Preferred Stock and to fund its closing date balance sheet adjustments obligations under the ARS-ATS Separation Agreement. However, should additional construction or acquisition opportunities become available, ATS may require additional financing during 1998. Any such financing could take the form of an increase in the maximum borrowing levels under the New Credit Facilities (which would be dependent on the ability to meet certain leverage ratios), the issue of debt or senior equity securities (which could have the effect of increasing its consolidated leverage ratios) or equity securities (which, in the case of Common Stock or securities convertible into or exercisable for Common Stock, would have a dilutive effect on the proportionate ownership of ATS by its then existing common stockholders). There can be no assurance that any such financing would be available on favorable terms. See "Business--Growth Strategy--Growth by Construction" and "--Growth by Acquisition".

Management expects that the consummated acquisitions and current and future construction activities will have a material impact on liquidity. As indicated in the Unaudited Pro Forma Condensed Consolidated Balance Sheet and the foregoing discussion, there is a substantial difference in the historical and pro forma liquidity of ATS. Management believes that the acquisition activities once integrated will have a favorable impact on liquidity and will offset the initial effects of the funding requirements. Management also believes that the construction activities may initially have an adverse effect on the future liquidity of ATS as newly constructed towers will initially decrease overall liquidity. However, as such sites become more fully operational and achieve higher utilization, management believes that they should generate cash flow and, in the longer term, increase liquidity.

See "Business--Recent Transactions" and the Notes to Consolidated Financial Statements with respect to acquisition and construction commitments.

YEAR 2000

ATS is aware of the issues associated with the Year 2000 as it relates to information systems. The Year 2000 is not expected to have a material impact on ATS's current information systems because its software is either already Year 2000 compliant or required changes are not expected to be material. Based on the nature of ATS's business, ATS anticipates it is not likely to experience material business interruption due to the impact of Year 2000 compliance on its customers and vendors. As a result, ATS does not anticipate the incremental expenditures to address Year 2000 compliance will be material to ATS's liquidity, financial position or results of operations over the next few years.

INFLATION

The impact of inflation on ATS's operations has not been significant to date. However, there can be no assurance that a high rate of inflation in the future will not have material adverse effect on ATS's operating results.

RECENT ACCOUNTING PRONOUNCEMENTS

In June 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards (FAS) No. 130, "Reporting Comprehensive Income," which became effective for the Company for periods beginning after December 15, 1997. FAS No. 130 establishes standards for reporting and displaying comprehensive income and its components (revenues, expenses, gains, and losses) in a full set of general purpose financial statements. FAS No. 130 requires that a company (a) classify items of other comprehensive income by their nature in a financial statement and (b) display the accumulated balance of other comprehensive income separately from retained earnings and additional paid-in-capital in the equity section of the balance sheet. Reclassification of financial statements for earlier periods provided for comparative purposes is required. The Company has adopted this statement in the first quarter of 1998. Comprehensive income does not differ from net income.

In June 1997, the FASB released FAS No. 131 "Disclosures about Segments of an Enterprise and Related Information" (FAS 131). FAS 131 established standards for reporting information about the operating segments in its annual report and interim reports. ATS will adopt this standard for its full year 1998 financial information.

In February 1998, the FASB released FAS No. 132, "Employer's Disclosures about Pensions and Other Postretirement Benefits" (FAS 132), which ATS will be required to adopt in 1998. FAS 132 will require additional disclosure concerning changes in ATS's pension obligations and assets and eliminates certain other disclosures no longer considered useful. Adoption of this standard will have no effect on reported consolidated results of operations or financial position.

INDUSTRY OVERVIEW

Communications site owners and operators have benefited in recent years from a substantial increase in demand for wireless communications services. The Cellular Telecommunications Industry Association estimates that the number of subscribers to wireless telephone services was approximately five million in 1990. According to The Strategis Group, a telecommunications marketing research firm, the number of subscribers to cellular and PCS is over 50 million today and is projected to increase to over 100 million by the year 2001. This demand has prompted the issuance of new wireless communication licenses and construction of new wireless networks. ATS believes that the increase in demand for wireless communications is attributable to a number of factors, including the increasing mobility of the U.S. population and the growing awareness of the benefits of mobile communications, technological advances in communications equipment, decreasing costs of wireless services, favorable changes in telecommunications regulations, and business and consumer preferences for higher quality voice and data transmission. Consequently, more towers will be required to accommodate the anticipated increase in the demand for higher frequency technologies (such as PCS and ESMR) which have a reduced cell range and thus require a higher density of towers in the network. The Personal Communications Industry Association (of which James S. Eisenstein, an executive officer of ATS, is a director) estimates that over 100,000 additional antennae sites will have to be built to accommodate the needs of cellular and PCS over the next ten years.

ATS believes that as the wireless communications industry has grown it has become more competitive. As a consequence, many carriers may seek to preserve capital and speed access to their markets by focusing on activities that contribute directly to subscriber growth, by outsourcing infrastructure requirements such as owning, constructing and maintaining towers or by co-locating transmission facilities. Previously, carriers typically sourced many of such services in-house, while local non-integrated service contractors focused on specific segments such as radio frequency engineering, site acquisition and tower construction. To meet these carrier needs, independent operators have expanded into a number of associated network and communications site services, such as the selection and acquisition of communications sites (including the resolution of zoning and permitting issues), the design of wireless and broadcast sites and networks, and the construction or supervision of construction of towers. Also, in order to accelerate network deployment or expansion and to generate efficiencies, carriers are increasingly co-locating transmission infrastructure with that of other network operators. The need for co-location has also been driven by regulatory restrictions and the growing interest of local municipalities in slowing the proliferation of towers in their communities by requiring that towers accommodate multiple tenants.

While the wireless communications industry is experiencing rapid growth, the television broadcasting industry, with strong encouragement from both Congress and the FCC, is actively planning its strategy for the transition from analog to digital technology. This change will be required by a construction timetable imposed on television broadcast licensees by the FCC. The FCC construction timetable, although subject to revision, currently requires a number of television stations to commence digital service as soon as May 1, 1999, and some stations have promised to begin such service earlier. ATS believes that this transition will require a substantial investment in enhanced broadcast infrastructure, including the construction or reengineering of broadcast towers. While ATS expects much of the associated capital requirements will be borne by the broadcasters, management believes that a significant opportunity exists to invest profitably in the creation of tower capacity designed to accommodate digital antennas for television broadcasters. Management believes that, as with the deployment of towers for the wireless carriers, speed to market and limited capital resources will cause certain broadcasters to outsource the construction or reengineering of their towers in order to accommodate digital technology.

A communications tower's location, height and the loaded capacity at certain wind speeds determine its desirability to wireless carriers and the number of antennae that the tower can support. An antenna's height on a tower and such tower's location determine the line-of-sight of such antenna with the horizon and, consequently, the distance a signal can be transmitted. Some users, such as paging companies and SMR providers in rural areas, need higher elevations for broader coverage. Other carriers such as PCS, ESMR and cellular companies in metropolitan areas usually do not need to place their equipment at the highest tower point to maximize transmission distance and quality.

A tower can be either self-supporting or supported by guy wires. There are two types of self-supporting towers: the lattice and the monopole. A lattice tower is usually tapered from the bottom up and can have three or four legs. A monopole is a tubular structure that is typically used as a single purpose tower or in places where there are space constraints or a need to address aesthetic concerns. Self-supporting towers typically range in height from 50-200 feet for monopoles and up to 1,000 feet for lattices, while guyed towers can reach 2,000 feet or more. A typical communications site consists of a compound enclosing the tower or towers and an equipment shelter (which houses a variety of transmitting, receiving and switching equipment).

Rooftop or other building top sites are more common in urban downtown areas where tall buildings are generally available and multiple communications sites are required due to high traffic density. One advantage of a rooftop site is that zoning regulations typically permit installation of antennae. In cases of such population density, neither height nor extended radius of coverage is as important. Moreover, the installation of a free-standing tower structure in urban areas will often prove to be impossible due to zoning restrictions and land availability and cost.

The cost of construction of a tower varies both by site location (which will determine, among other things, the required height of the tower) and type of tower. Non-broadcast towers (whether on a rooftop or the ground) generally cost between approximately \$150,000 and \$200,000, while broadcasting towers (which generally are built to bear a greater load) generally cost between approximately \$300,000 and \$1.0 million if on an elevated location and between approximately \$1.0 million and \$3.5 million if on flat terrain. While the number of tenants that a tower can accommodate will vary depending on the nature of the services provided by such tenants and the height of the tower, non-broadcast towers of 200-300 feet that are designed to maximize capacity generally are capable of housing between five and ten tenants using an aggregate of between 25 and 50 antennae and broadcasting towers generally are capable of housing between ten and forty tenants using an aggregate of between 50 and 100 antennae. Annual rental payments vary considerably depending upon (i) the type of service being provided; (ii) the size of the transmission line and the number and weight of the antennae on the tower; (iii) the existing capacity of the tower; (iv) the antenna's placement on, and the location and height of, the tower; and (v) the competitive environment.

[GRAPHIC OF TYPES OF TOWERS]

Lease terms vary depending upon the industry user, with television and radio broadcasters tending to prefer longer term leases (15 to 20 years) than wireless communications service providers (five to ten years). In either case, most of such leases contain provisions for multiple renewals at the option of the tenant. Governmental agencies, because of budgetary restrictions, generally have one-year leases that tend to renew automatically. Leases tend to be renewed because of the complications associated with moving antennae. In the case of a television or radio broadcaster, such a move might necessitate FCC approval and could entail major dislocations and the uncertainty associated with building antennae in new coverage areas. In the case of cellular, PCS and other wireless users, moving one antenna might necessitate moving several others because of the interlocking grid-like nature of their wireless systems. In addition, the increasing difficulty of obtaining local zoning approvals, the environmental activism of community groups and the restrictions imposed upon owners and operators by the FAA and upon tenants by the FCC tend to reduce the number of alternatives available to a tower user. Leases generally provide for annual automatic price increases (escalator provisions) based on specified estimated cost measures or on increases in the consumer price index. Owners and operators generally also receive fees for installing customers' equipment and antennae on the communications site.

Wireless communications towers are owned by a wide range of companies, including wireless service providers, regional Bell operating companies, long distance companies, television and radio broadcasting companies, independent tower operators, utilities and railroads. Despite the increasing demand for communications sites, the industry remains highly fragmented, with few independent operators owning a large number of towers. ATS estimates that no one independent tower owner and operator (one which owns and operates communications sites principally for other entities) owns more than 2% of the towers in the United States. The pace of consolidation has begun to accelerate, however, as the larger independent operators continue to acquire small local or regional operators and purchase communications sites and related assets from wireless communications carriers. Management believes that a major factor contributing to such consolidation is the emergence of many major companies seeking to provide increasingly sophisticated wireless services on a national basis. This, in turn, creates a need for substantial companies capable of developing and constructing networks of communications sites and maintaining and servicing the sophisticated support facilities associated with ongoing operations. ATS believes that the national and other large wireless service providers will prefer to deal with a company that can meet the majority of such providers' needs within a particular market or region, rather than, as in the past, a large number of individual tower owners, construction companies and other service providers. See "Risk Factors".

Unlike the fragmented nature of the communications site business, customers in all segments of the wireless communications industry and the broadcast industry tend to be large, well capitalized national companies.

As a consequence of the foregoing factors, as well as the lack of seasonality of the industry, the communications site industry is characterized by a predictable and recurring stream of income.

GENERAL

ATS is a leading independent owner and operator of wireless communications towers in the United States. As a consequence of its current industry position and experience, ATS believes it is favorably positioned to capitalize on the growth opportunities inherent in a rapidly expanding and highly fragmented communications site industry. Since its organization in 1995, ATS has grown, predominantly through acquisitions, to a company operating more than 1,800 towers in 44 states and the District of Columbia. ATS intends to continue to pursue strategic acquisitions while devoting increasing financial and other resources to tower construction. In 1998, ATS currently plans to build or commence construction of between approximately 400 and 500 towers at an estimated aggregate cost of between approximately \$80.0 and \$100.0 million. For the year ended December 31, 1997, giving effect to the ATS Pro Forma Transactions, ATS had net revenues and EBITDA of \$94.9 million and \$40.2 million, respectively. For the three months ended March 31, 1998, giving effect to the ATS Pro Forma Transactions, ATS had net revenues and EBITDA of \$25.1 million and \$9.7 million, respectively.

ATS's primary business is the leasing of antennae sites on multi-tenant towers for a diverse range of wireless communications industries, including PCS, cellular, ESMR, SMR, paging and fixed microwave, as well as radio and television broadcasters. ATS also offers its customers a broad range of network development services, including network design, site acquisition, zoning and other regulatory approvals, tower construction and antennae installation. ATS intends to expand these services and to capitalize on its relationships with its wireless customers through construction for them of major tower networks that ATS will own and operate. ATS is also engaged in the video, voice and data transmission business, which it currently conducts in the New York City to Washington, D.C. corridor and Texas.

ATS is geographically diversified with significant networks of communications towers throughout the United States. Its largest networks are in California, Florida and Texas, and it owns and operates or is constructing tower networks in numerous cities, including Albuquerque, Atlanta, Austin, Baltimore, Boston, Dallas, Houston, Jacksonville, Kansas City, Los Angeles, Miami-Ft. Lauderdale, Minneapolis, Nashville, New York, Philadelphia, Sacramento, San Antonio, San Diego, San Francisco, Tucson, Washington, D.C. and West Palm Beach.

ATS has a diversified base of approximately 2,500 customers, no one of which accounted for more than 10% of its 1997 net pro forma revenues from site leasing activities and the five largest of which accounted for less than 30% of such net revenues. ATS's wide range of customers includes most of the major wireless service providers in that industry, including Airtouch, Alltel, AT&T Wireless PCS, Bell Atlantic Mobile, BellSouth, GTE Mobilnet, Houston Cellular, Metrocarril, Mobile Comm, Nextel, Omnipoint, PacBell, PageNet, PowerTel, PrimeCo PCS, SkyTel, Southwestern Bell, Sprint PCS and Western Wireless. In addition, most of the major companies in the radio and television broadcasting industry are ATS's customers, including ABC, CBS, Chancellor Media, Clear Channel, CNN, Fox, Jacor and NBC. ATS's site acquisition services are provided to most of such wireless service providers, and ATS has constructed or is constructing towers on a build to suit basis for companies such as Nextel, Omnipoint and Southwestern Bell. The principal users of ATS's video, voice and data transmission services are television broadcasters and other video suppliers such as CBS, CNN, Fox and HBO.

Management estimates that its site leasing activities, which it believes generate the highest profit margin of its businesses, account for approximately 56% of its ongoing pro forma net revenues; site acquisition activities (including construction for others) account for 24%; and the video, voice and data transmission business accounts for 20%. However, in light of management's intention to focus on construction activities, which will increase the number of antennae sites available for leasing, ATS believes that leasing activities are likely to grow at a more rapid rate than other aspects of its business.

ATS derives its revenue from various industry segments. The percentage of ATS's pro forma net revenues derived from the various industry segments (including from its site acquisition activities) is estimated to be

approximately as follows: PCS--23%; paging--13%; ESMR--12%; cellular--9%; two-way radio--5%; SMR --3%; radio and television broadcasting--3%; microwave--3%; and federal and other governmental agencies--9%. The remaining approximately 20% of such revenues are derived from its video, voice and data transmission customers which are primarily the major television networks, CNN and HBO. Management believes that the foregoing percentages are not necessarily indicative of future contributions likely to be made by the various aspects of its business or of the several different types of wireless providers, particularly in light of the anticipated growth of PCS, cellular and ESMR compared to other wireless providers and management's intended focus on build to suit and other tower construction activities.

ATS's growth strategy is designed to enhance its position as a leading U.S. provider of communications sites and network development services to the wireless communications and broadcasting industries. The principal elements of this strategy are: (i) to maximize utilization of antennae sites through targeted sales and marketing techniques; (ii) to expand its tower construction activities, principally through build to suit projects; and (iii) to pursue strategic acquisitions, designed principally to facilitate entry into new geographic markets and to complement the construction program.

ATS believes that as the wireless communications industry has grown it has become more competitive. As a consequence, many carriers may seek to preserve capital and speed access to their markets by focusing on activities that contribute directly to subscriber growth and by outsourcing infrastructure requirements such as owning, constructing and maintaining towers. ATS also believes that many carriers are, for similar reasons, increasingly co-locating transmission facilities with those of others, a trend likely to be accelerated because of regulatory restrictions and the growing tendency of local municipalities to require that towers accommodate multiple tenants. Management also believes that national and other large wireless service providers will prefer to deal with a company, such as ATS, that can meet the majority of such providers' needs within a particular market or region, rather than, as in the past, with a large number of individual tower owners, construction companies and other service providers. See "Risk Factors".

Management believes that, in addition to such favorable growth and outsourcing trends, the communications site industry and ATS will benefit from several favorable characteristics, including the following: (i) a recurring and growing revenue stream based to a significant extent on long-term leases; (ii) low tenant "churn" due to the costs and disruption associated with reconfiguring a wireless network or broadcasting location; (iii) a customer base which is diversified by industry, among customers within each industry and geographical area, and which consists principally of large, financially responsible national companies; (iv) favorable absolute and incremental tower cash flow margins due to low variable operating costs; (v) low on-going maintenance capital requirements; (vi) local government and environmental initiatives to reduce the numbers of towers thereby requiring carriers to co-locate antennae; and (vii) opportunity to consolidate in a highly fragmented industry, thereby creating the potential for enhanced levels of customer service and operating efficiency.

GROWTH STRATEGY

ATS's objective is to enhance its position as a leading U.S. provider of communications sites and network development services to the wireless communications and broadcasting industries. ATS's growth strategy consists of the following principal elements:

Internal Growth through Sales, Service and Capacity Utilization. Management believes that a substantial opportunity for profitable growth exists by maximizing the utilization of existing and future towers. Because the costs of operating a site are largely fixed, increasing tower utilization significantly improves site operating margins. Moreover, when a specific tower reaches full antennae attachment capacity, ATS is often able to construct an additional tower at the same location, thereby further leveraging its investment in land, related equipment and certain operating costs, such as taxes, utilities and telephone service.

ATS intends to use targeted sales and marketing techniques to increase utilization of both existing and newly constructed towers and to maximize investment returns on acquired towers with underutilized

capacity. Management believes that the key to the success of this strategy lies in its ability to develop and consistently deliver a high level of customer service, and to be widely recognized as a company that makes realistic commitments and then delivers on them. Since speed to market and reliable network performance are critical components to the success of wireless service providers, ATS's ability to assist its customers in meeting these criteria will ultimately define its marketing success and capacity utilization. ATS targets wireless providers that are expanding or improving their existing network infrastructure as well as those deploying new technologies.

Growth by Construction. ATS believes that attractive investment returns can be achieved by constructing new tower networks in and around markets in which it already has a presence, along major highways, and in targeted new markets, particularly markets that have not been significantly built out by carriers or other communications site companies. By working with one or more "anchor" tenants, ATS will seek to develop an overall master plan for a particular network by locating new sites in areas identified by its customers as optimal for their network expansion requirements. ATS generally secures commitments for leasing prior to commencing construction, thereby minimizing, to some extent, the risks associated with the investment. See "Risk Factors--Construction of New Towers". In certain cases, ATS may identify and secure all zoning and other regulatory permits for a site in anticipation of customer demand, with actual construction being delayed until an anchor tenant is secured on reasonable terms. Strategic acquisitions will also be pursued as a means of filling out or, in certain cases, initiating, a tower network.

Because of the relatively attractive initial returns which can be achieved from new tower construction, and because ATS can design and build towers to specifications that assure ample future capacity and minimize the need for future capital expenditures, management intends to place a strong emphasis on new tower development for the foreseeable future. Management also intends to pursue new tower construction to service the demand for digital television and for tower space for radio antennae displaced by digital television requirements. Over time, management believes that more than half of its towers will result from new construction, with the vast majority of these designed to serve the wireless communications industry.

During 1997, ATS (including ATC and other acquired companies) constructed or had under construction approximately 240 towers, including those constructed for and owned by third parties. During 1998, ATS currently plans to construct or have under construction between approximately 400 and 500 towers (most of which are on a build to suit basis) at an estimated aggregate cost of between approximately \$80.0 and \$100.0 million. In addition, ATS is seeking several major build to suit projects, although there can be no assurance that any definitive agreements will result.

The ability to obtain, and commit to, large new construction projects will require significant financial resources. Management believes that its cost of capital, relative to the cost of capital of its competitors, will be an important factor in determining the success of its growth by construction strategy. Based on its previous capital market transactions, management believes that it has a good reputation in the financial community, including among banks, investment banking firms, institutional investors and public investors, and that such reputation will help it attract capital on the favorable terms necessary to finance its growth. However, there can be no assurance that funds will be available to ATS on such terms.

Growth by Acquisition. ATS has achieved a leading industry position primarily through acquisitions. ATS intends to continue to target strategic acquisitions in markets or regions where it already owns towers as well as new markets, possibly including non-U.S. markets.

Among the potential acquisitions are tower networks owned by major wireless service providers, including many of the regional Bell operating companies and their affiliates, that may seek to divest their ownership of such networks for reasons similar to those motivating them to outsource their new construction requirements. There can, of course, be no assurance that ATS will acquire any such networks.

ATS will attempt to increase revenues and operating margins at acquired communications sites through expanded sales and marketing efforts, improved customer service, the elimination of redundant overhead and, in certain instances, increasing tower capacity. Acquisitions are evaluated using numerous criteria,

including potential demand, tower location, tower height, existing capacity utilization, local competition, and local government restrictions on new tower development.

ATS also intends to pursue, on a selective basis, the acquisition of site acquisition companies and providers of video, voice and data transmission services, and may pursue acquisitions related to the communications site industry, including companies engaged in the tower fabrication business.

While to date the majority of ATS's growth has resulted from acquisition activities, management expects to shift ATS's emphasis more towards build to suit and new tower construction, where it believes investment returns are more attractive. It will, however, continue to evaluate numerous acquisition prospects, including possible divestitures by major wireless service providers, and expects to pursue and consummate acquisitions when the economics or strategic opportunity are attractive.

ATS is actively considering, and intends to continue actively considering, opportunities to acquire communication sites and related properties that meet its acquisition criteria, including possible significant acquisitions. ATS' current activities with respect to possible significant acquisitions range from the evaluation of properties, to submissions of indications of interests and first- or second-round bids, to early-stage negotiations. These opportunities range in size from several hundred towers to several thousand towers and from purchase prices of tens of millions of dollars to several hundreds of millions of dollars. Such purchase prices could take the form of cash, ATS stock or other securities, or a combination thereof. No material acquisition opportunity has yet reached the agreement or probable agreement stage other than those described in this Prospectus. See "Business--Recent Transactions". Of course, ATS cannot predict whether it will enter into any binding agreements with respect to such acquisitions or, if it does, the terms or timing of any such significant acquisitions.

PRODUCTS AND SERVICES

. LEASING OF ANTENNAE SITES. ATS's primary business is the leasing of antennae sites on multi-tenanted communications towers to companies in all segments of the wireless communications and broadcasting industries. Giving effect to pending acquisitions, ATS will have more than 1,800 towers in 44 states and the District of Columbia, approximately 490 of which are managed for others, including approximately 280 rooftop antennae.

ATS rents tower space and provides related services for a diverse range of wireless communications industries, including PCS, cellular, ESMR, SMR, paging, fixed microwave, as well as radio and television broadcasters. ATS is geographically diversified with significant tower networks throughout the United States with its largest networks in California, Florida and Texas, and owns and operates communications sites or is constructing tower networks in cities such as Albuquerque, Atlanta, Austin, Baltimore, Boston, Dallas, Houston, Jacksonville, Kansas City, Los Angeles, Miami-Ft. Lauderdale, Minneapolis, Nashville, New York, Philadelphia, Sacramento, San Antonio, San Diego, San Francisco, Tucson, Washington, D.C. and West Palm Beach.

ATS's leases, like most of those in the industry, generally vary depending upon the industry user, with television and radio broadcasters preferring long term leases (generally from 15 to 20 years), and wireless communications providers favoring somewhat shorter lease terms (generally from five to ten years), with multiple renewals at the option of the tenant. However, the leases acquired as a consequence of the ATC Merger tend to be of shorter duration, generally two years, and permit earlier termination if ATS were to attempt to impose price increases relating to escalator provisions. Leases of all lengths tend to be renewed due to the costs and disruption associated with reconfiguring a wireless network or broadcast location.

Most of ATS's leases have escalator provisions (annual automatic increases based on specified estimated cost measures or on increases in the consumer price index) that permit ATS to keep pace with inflation. While these provisions are not by themselves intended to be a primary source of growth, they provide a stable and predictable growth component that is then enhanced by increased tower utilization.

The number of antennae which ATS's towers can accommodate varies depending on the type of tower (broadcast or non-broadcast), the height of the tower, and the nature of the services provided by such antennae,

although broadcasting towers generally are capable of holding more and larger antennae and serving more tenants than non-broadcasting towers. Annual rental payments vary considerably depending upon (i) the type of service being provided; (ii) the size of the transmission line and the number and weight of the antennae on the tower; (iii) the existing capacity of the tower; (iv) the antenna's placement on, and the location and height of, the tower; and (v) the competitive environment. Management believes that it is not possible to state with any degree of precision the vacancy or unused capacity of a "typical" tower, group of related towers or all of its towers for a variety of reasons, including, among others, the variations that occur depending on the types of antennae placed on the tower, the types of service being provided by the tower users, the type and location of the tower or towers, the ability to build other towers so as to configure a network of related towers, whether any of the users have imposed restrictions on competitive users, and whether there are any environmental, zoning or other restrictions on the number or type of users.

Build to Suit Business. Historically, cellular and other wireless service providers have constructed a majority of their towers for their own use, while usually outsourcing certain services such as site acquisition and construction management. More recently, however, service providers have expressed a growing interest in having independent companies own the towers on which they will secure space under long-term leases. Management believes this trend is the result of a need among such providers to preserve capital and to speed access to their markets by focusing on activities that contribute to subscriber growth and by outsourcing infrastructure requirements such as owning, constructing and maintaining towers or by co-locating their transmission infrastructure. ATS has positioned itself as an attractive choice for this build to suit opportunity. It has done so by acquiring and developing reputable site acquisition companies with established client relationships in both site acquisition and construction management, and by securing the financial resources necessary to participate in the build to suit arena on a substantial scale. Management believes companies that are able to demonstrate the ability to successfully locate, acquire and permit sites and finance and construct towers in a timely manner will be used by a significant number of wireless service providers on an expanded basis. ATS is currently engaged in build to suit efforts for a range of clients including Nextel, Omnipoint, Prime and Southwestern Bell and is seeking several major build to suit projects, although there can be no assurance that any definitive agreements will result.

In most cases, well engineered and well located towers built to serve the specifications of an initial anchor tenant in the wireless communications sector will attract three or more additional wireless tenants over time, thereby increasing revenue and enhancing margins. ATS has had only limited experience, to date, with build to suit projects and those that it has completed and that are operational have been on a much smaller scale than those that it is negotiating or will seek in the future. Management believes that ATS's favorable results (occupancy and financial) achieved on completed projects are not representative of the results likely to be achieved from the larger projects ATS is currently contemplating and, therefore, has not included information with respect to the typical vacancy rates or financial results that can be expected to be generated by such build to suit projects. See "Risk Factors--Construction of New Towers" for a description of certain risks involved in tower construction, particularly those involving large build to suit projects.

Communications Site Management Business. ATS is a leading manager of communications sites, principally rooftop sites but also ground towers, for other owners. A principal aspect of this business is the development of new sources of revenue for building owners by effectively managing all aspects of rooftop telecommunications, including two-way radio systems, microwave, fiber optics, wireless cable and paging, and rooftop infrastructure construction services. ATS manages approximately 490 sites (of which approximately 280 are rooftops) in 35 states. Management contracts are generally for a period of five years and contain automatic five-year renewal periods unless terminated by either party on notice prior to such renewal term or upon an uncured default. Pursuant to these contracts, ATS is responsible for marketing antennae sites on the tower, reviewing existing and negotiating future license agreements with tenant users, managing and enforcing those agreements, supervising installation of equipment by tenants to ensure, among other things, non-interference with other users, supervising repairs and maintenance to the towers, as well as site billing, collections and contract administration. In addition, ATS handles all calls as well as questions regarding the site so that the building

management team or owner is relieved of this responsibility. For such services, ATS is entitled to a percentage of lease payments, which is higher for new tenants than for existing tenants. Upon any termination of a contract, unless because of its default, ATS is entitled to its percentage with respect to then existing tenants so long as they remain tenants.

. SITE ACQUISITION BUSINESS. ATS's site acquisition division has developed more than 8,000 sites in 48 states and currently has field offices in 13 major cities including Atlanta, Chicago, Charlotte, Cleveland, Jacksonville, New Orleans and Seattle. The site selection and acquisition process begins with the network design. Highway corridors, population centers and topographical features are identified within the carrier's existing or proposed network, and drive tests are performed to monitor all PCS, cellular and ESMR frequencies to locate the systems then operating in that geographic area and identify where any holes in coverage may exist. Based on this data, the carrier and ATS develop a "search ring", generally of one-mile radius, within which the site acquisition department identifies land available either for purchase or lease. ATS personnel select the most suitable sites, based on demographics, traffic patterns and signal characteristics. The site is then submitted to the local zoning/planning board for approval. If the site is approved, in certain instances ATS will supervise construction of the towers and other improvements on the communications site. ATS's site acquisition services are provided on a fixed fee or time and materials basis. Existing users of ATS's site acquisition business include Airtouch, Alltel, AT&T Wireless PCS, Ameritech, Bell Atlantic Mobile, BellSouth, GTE Mobilnet, MobileComm, PageNet, Power Tel, SkyTel, Southwestern Bell, Sprint PCS and Western Wireless. While ATS will continue to provide site acquisition services to those customers desiring them, it also intends to actively market its construction and leasing services as an extension of these services.

. VOICE, VIDEO AND DATA TRANSMISSION BUSINESS. ATS's voice, video and data transmission business is operated in the New York City to Washington, D.C. corridor and in Texas. A teleport is the technical link for all video, voice and data transmission to and from ground based, terrestrial sources and satellites. A typical teleport facility consists of 20-40 satellite dishes (antennae), a 24-hour, 365-day operations center, microwave and fiber optics links, and generators and other support facilities. ATS owns a teleport outside of New York City and one outside of Washington, D.C., and distributes video, voice and data over the New York to Washington D.C. corridor through a fiber and microwave network, including 13 towers. The New York teleport system is located on a 70-acre owned site which is zoned for 29 microwave dishes of which 22 are existing, thereby providing significant expansion capacity. The Washington teleport system is located in northern Virginia, inside of the Washington Beltway, on ten acres and houses 40 antennae with the capacity for an additional ten antennae. The network includes both fiber and microwave channels, is used by all of the major television broadcast networks, and accesses all domestic and major international satellites in the operating region. The system is able to distribute voice, video and data through satellite or terrestrial distribution. The Texas system consists of a teleport outside of Dallas that enables it to distribute video, voice and data from Dallas to Corpus Christi through a fiber and microwave network including 35 towers. This system includes 15 microwave dishes and covers the most populated area of Texas, servicing Austin, Corpus Christi, Dallas, Houston and San Antonio. The system connects to all major sports and convention venues, video companies and broadcast networks in those cities. The principal users of ATS's video, voice and data transmission services are television broadcasters and other video suppliers such as CBS, CNN, Fox and HBO.

CUSTOMERS

ATS's customers aggregate approximately 2,500 and include many of the major companies in the wireless communications industry. While none of ATS's customers accounted for as much as 10% of its 1997 pro forma net revenues from site leasing activities, most of the customers named below account for more than 1% of such revenues, and each is considered by ATS to be an important customer:

(i) Cellular and PCS: Airtouch, Alltel, AT&T Wireless PCS, Bell Atlantic Mobile, BellSouth, GTE Mobilnet, Houston Cellular, Mobile Comm, Omnipoint, PacBell, Prime Co, PCS, Southwestern Bell Mobile Systems (operating as Cellular One), and Sprint PCS;

(ii) Paging: Arch, Metrocall, PageMart, PageNet and Pittencrief;

(iii) ESMR: Nextel; and

(iv) Television and Radio Broadcasting: ABC, CBS, Chancellor Media, Clear Channel, CNN, Fox, Jacor Communications and NBC.

ATS's site acquisition activities, which afford ATS the opportunity to furnish additional services such as the construction and leasing of communications sites, are provided to most of the cellular, PCS and ESMR customers listed above. ATS has constructed or is constructing towers on a build to suit basis for companies such as Nextel, Omnipoint and Southwestern Bell and is seeking several major build to suit projects, although there can be no assurance that any definitive agreements will result.

The principal users of ATS's video, voice and data transmission services are television broadcasters and other video suppliers such as CBS, CNN, Fox and HBO. Revenues are derived from two sources of approximately equal significance: (i) contracted, long-term services of a regular, recurring nature and (ii) nonrecurring services relating to special news or events. Monthly transmissions average approximately 3,500 at ATS's teleports.

MANAGEMENT ORGANIZATION

ATS is headquartered in Boston and is organized on a regional basis with each region being headed by a vice president who reports to the Chief Operating Officer. Its current regional operations are based in Boston, Atlanta, Houston and the San Francisco Bay area, although additional regional centers may develop over time. Management believes that its regional operations centers which are in varying stages of development should ultimately be capable of responding effectively to the opportunities and customer needs of their respective defined geographic areas and that these operations centers should have skilled engineering, construction management and marketing personnel. Management also believes that over time enhanced customer service and greater operating efficiencies can be achieved by centralizing certain operating functions, including accounting and lease administration. Such centralization, when achieved, will enable key information about each site, tower lease and customer to become part of a centralized database, with communications links to regional operations centers.

In conjunction with its acquisition of various companies, management believes it has obtained the services of key personnel with skills in areas such as site acquisition, construction management, tower operations, engineering, marketing, lease administration and finance. As ATS seeks to expand its size and improve on the quality and consistency of service delivery, it believes it needs to complete the staffing of its existing regions and may, in the longer term, need to supplement its current workforce in certain critical areas, develop new regional centers and intensify its dedication to customer service. Accordingly, management is actively recruiting key personnel to complete the staffing of its regional operations centers and to strengthen and deepen its corporate group. ATS focuses its efforts on recruiting people from the industry sectors it serves and in some instances recruiting skilled engineering, marketing and other personnel from outside the communications site, wireless communications and broadcasting industries.

HISTORY

In early 1995, Steven B. Dodge, Chairman of the Board, President and Chief Executive Officer of American Radio, and other members of American Radio's management, recognized the opportunity in the communications site industry as a consequence of ARS's ownership and operation of broadcast towers. ATS was formed in July 1995 to capitalize on this opportunity. During 1996, ATS's acquisition program was modest, entailing the acquisition of companies owning an aggregate of 15 communications sites and managing approximately 250 sites for others, for an aggregate purchase price of approximately \$21.0 million. During that year, however, ATS entered into several more significant acquisition agreements that were consummated in 1997.

RECENT TRANSACTIONS

Of the following Recent Transactions, only the Meridian Transaction, the Diablo Transaction, the MicroNet Transaction, the Tucson Transaction, the Gearon Transaction, the OPM Transaction, the ATC Merger and the Transfer of Towers from ARS to ATS are included in the ATS Pro Forma Transactions.

Consummated Acquisitions. Since January 1, 1997, exclusive of the ATC Merger, ATS has consummated more than 15 acquisitions (including those agreed to in 1996) involving more than 550 sites (including sites on which towers are to be constructed) and its site acquisition and voice, video and data transmission businesses.

In May 1997, ATS consummated, among others, three acquisitions as follows: (i) the purchase of two related companies engaged in the site acquisition business for unaffiliated third parties in various locations in the United States for approximately \$13.0 million; (ii) the purchase of a tower site management business in Georgia, North Carolina and South Carolina for approximately \$5.4 million consisting of 21 tower sites, and (iii) the purchase of a 70% interest in a business that will initially own and operate communications towers that are to be constructed on 58 sites in northern California; the remaining 30% of the joint venture (ATS/PCS) is owned by an unaffiliated party. ATS paid the other party approximately \$0.8 million in cash for its 70% interest and is obligated to provide equity financing for the construction of those towers (estimated at approximately \$5.3 million) as well as any others that the joint venture may construct. See "--Pending Acquisitions" below.

In July 1997, ATS consummated four unrelated acquisitions, including the purchase for approximately \$33.5 million of 56 sites and a tower site management business in southern California (the "Meridian Transaction").

In October 1997, ATS consummated two unrelated acquisitions as follows: (i) 110 sites and a site management business primarily in northern California for approximately \$45.0 million (the "Diablo Transaction"); and (ii) 128 owned or leased tower sites, principally in the Mid-Atlantic region, with the remainder in California and Texas, and the video, voice and data transmission business for approximately \$70.25 million (the "MicroNet Transaction").

In January 1998, ATS consummated the acquisition of OPM-USA-INC. ("OPM"), a company which owned approximately 90 towers at the time of acquisition (the "OPM Transaction"). In addition, OPM is in the process of developing an additional approximately 160 towers that are expected to be constructed during the next 12 to 18 months. The purchase price, which is variable and based on the number of towers completed and the forward cash flow of the completed OPM towers, could aggregate up to \$105.0 million, of which approximately \$21.3 million was paid at the closing. ATS has also agreed to provide the financing to OPM to enable it to construct the 160 towers in an aggregate amount not to exceed \$37.0 million (less advances as of consummation aggregating approximately \$5.7 million).

In January 1998, ATS consummated the Gearon Transaction pursuant to which ATSI merged with a company engaged primarily in the site acquisition business for unaffiliated third parties that also owned or had under construction 40 tower sites. The merger price of approximately \$80.0 million was paid by delivery of 5,333,333 shares of Class A Common Stock, the payment of approximately \$32.0 million in cash and assumed liabilities.

In January 1998, as part of the CBS Merger, ARS transferred to ATS 14 of the 16 communications sites currently used by American Radio and various third parties and ARS and ATS entered into leases or subleases of space on the towers transferred. The remaining two communications sites were transferred to ATS following the acquisition by ARS of the sites from third parties. See "Relationship between ATS and ARS--Lease Arrangements".

In January 1998, ATS consummated the purchase of a communications site with six towers in Tucson, Arizona (the "Tucson Transaction") for approximately \$12.3 million.

In February 1998, ATS acquired 11 communications tower sites in northern California for approximately \$11.8 million.

In May 1998, ATS acquired the assets relating to a teleport serving the Washington, D.C. area for a purchase price of approximately \$30.5 million. The facility is located in northern Virginia, inside of the Washington Beltway, on ten acres.

In June 1998, ATS acquired a broadcasting tower (the "Intracoastal Transaction") in the Boston area for 720,000 shares of Class A Common Stock. As part of such acquisition, ATS issued non-recourse notes in the aggregate principal amount of approximately \$12.0 million that are payable solely to the extent of payments made on a note in an equal principal amount received as part of the acquisition.

ATC Merger. On June 8, 1998, ATS consummated the ATC Merger Agreement pursuant to which ATC merged with and into ATS which is the surviving corporation. Pursuant to the ATC Merger, ATS issued an aggregate of 28,782,386 shares of Class A Common Stock (including shares issuable upon exercise of options to acquire ATC Common Stock which, to the extent they were outstanding as of the effectiveness of the ATC Merger, became options to acquire Class A Common Stock). The 30.0 million shares of Class A Common Stock represented 35% of the aggregate number of shares of Common Stock which were outstanding immediately after consummation of the ATC Merger on a pro forma basis, assuming the exercise of all ATS and ATC stock options outstanding immediately prior to the ATC Merger, but before giving effect to the acquisitions described in the preceding paragraph under "--Consummated Acquisitions" above and under "--Pending Acquisitions" below.

As a condition to consummation of the ATC Merger, Messrs. Dodge and Stoner entered into a voting agreement with ATC and certain of the ATC common stockholders, pursuant to which Messrs. Dodge and Stoner agreed to vote in favor of the election of each of Messrs. Lummis and Mays (or any other nominee of Mr. Lummis and Clear Channel reasonably acceptable to the ATS Board of Directors) so long as Mr. Lummis and Clear Channel (or their respective affiliates) hold at least 50% of the shares of Class A Common Stock to be received by him or it in the ATC Merger. Messrs. Lummis and Mays were elected to the Board of Directors immediately following the ATC Merger.

Chase Capital, which is an affiliate of Chase Equity Associates, a stockholder of ATS, and Mr. Chavkin, a director of ATS, owned approximately 18.1% of the ATC Common Stock as of April 6, 1998 and had a representative on the ATC Board of Directors. See "Principal and Selling Stockholders". Summit Capital of Houston ("Summit Capital") received a \$2.25 million broker's fee from ATC upon consummation of the ATC Merger. Fred Lummis, the former President and Chief Executive Officer of ATC, and a director of ATS, is an affiliate of Summit Capital.

The provisions of the ATC Merger Agreement are comparable to those customary in similar transactions, including without limitation (a) detailed, substantially identical representations and warranties of ATS and ATC that did not survive consummation of the ATC Merger and (b) agreements of ATS to (i) indemnify the officers and directors of ATC and to maintain officer and director insurance for their benefit, (ii) maintain employment benefits for a period of one year for officers and employees of ATC, both on terms and conditions comparable to those presently in effect, and (iii) continue the employment of ATC employees at existing salary levels for a period of one year.

ATC was a leading independent owner and operator of wireless communications towers and operated approximately 915 towers in 32 states, including approximately 125 towers managed for a third party owner and had agreed to acquire approximately 35 additional towers in 1998 at an aggregate estimated cost of approximately \$17.4 million. For the year ended December 31, 1997, ATC had net revenues and EBITDA of \$20.0 million and \$12.7 million, respectively. For the three months ended March 31, 1998, ATC had net revenues and EBITDA of \$6.3 million and \$4.1 million, respectively.

ATC rented tower space and provided related services to wireless communications service providers, as well as operators of private networks and government agencies, for a diverse range of applications including cellular, PCS, ESMR, SMR, paging and fixed microwave. ATC owned and operated towers in 45 of the largest 100 metropolitan statistical areas in the United States and has clusters of towers in cities such as Albuquerque, Atlanta, Baltimore, Dallas, Houston, Jacksonville, Kansas City, Nashville, San Antonio and San Diego. ATC had a diversified base of approximately 865 customers, no one of which accounted for more than 10% of its net revenues for the year ended December 31, 1997. ATC's wide range of customers included most of the major wireless service providers such as Bell South Mobility, GTE Mobilnet, Houston Cellular, Nextel, PageMart, PageNet, Pittencrief Communications, SBC Communications, Sprint PCS, and various government agencies.

ATC was organized in October 1994 by an investor group led by Summit Capital Inc. and Chase Capital to acquire Bowen-Smith Corp. ("Bowen-Smith"). Bowen-Smith had been in the tower rental business since 1966, initially serving the communications tower requirements of two-way radio and microwave transmission users. At the time of the acquisition (the "Bowen-Smith Acquisition"), Bowen-Smith owned 184 towers on 175 sites located primarily in Texas, Louisiana and Oklahoma. Within the first year after the Bowen-Smith Acquisition, ATC acquired or constructed more than 75 towers. In December 1995, ATC acquired 103 towers from CSX Realty Development Corporation, and in October 1996, ATC acquired 154 towers from Prime Communication Sites Holding, L.L.C. In June 1997, ATC completed a private placement of common stock with Clear Channel representing approximately 30.03% of ATC (before giving effect to stock options) and resulting in net proceeds to ATC of \$23.0 million. During 1997, ATC acquired or agreed to acquire approximately 200 towers and constructed or had under construction at year end approximately 65 towers.

Pending Acquisitions. In June 1998, ATC entered into an agreement to acquire a company which is in the process of constructing approximately 40 towers in the Tampa, Florida area, of which 11 are presently operational. The purchase price will be equal to an excess of (i) ten times the "Current Run Rate Cash Flow" at the time of closing, over (ii) the principal amount of the secured note referred to below. The purchase price will be payable in shares of Class A Common Stock (valued at market prices shortly prior to closing) and, at the election of the seller, cash in an amount not to exceed 49% of the purchase price. "Current Run Rate Cash Flow" means twelve (12) times the excess of net revenues over direct operating expenses for the month preceding closing. ATC is obligated to advance construction funds to the seller in an aggregate amount not to exceed \$12.0 million in the form of a secured note (guaranteed by the stockholders on a nonrecourse basis and secured by the stock of the seller), of which approximately \$4.1 million has been advanced to date. The secured note is payable if the acquisition is not consummated. Subject to the satisfaction of certain conditions, including, depending on the circumstances, the expiration or earlier termination of the HSR Act waiting period, the acquisition is expected to be consummated in the spring of 1999.

ATC is negotiating certain changes in the ATC/PCS arrangements, including the acquisition by ATC of the 58 communications sites in northern California presently owned by ATC/PCS in exchange for shares of Class A Common Stock, arrangements with respect to the development of communications sites in other locations, a priority return of ATC's construction advances, an increase in the percentage interest of the other member in ATC/PCS, and a management fee to ATC.

Other Transactions. ATC is negotiating and intends to pursue the acquisition of other communications sites and management and related businesses, although there are no definitive binding agreements with respect to any material transaction except as referred to in this Prospectus.

Stock Purchase Agreement. In January 1998, ATC consummated the transactions contemplated by the Stock Purchase Agreement, dated as of January 8, 1998, with certain officers and directors of ARS and ATC (or their affiliates or members of their family or family trusts), pursuant to which those persons purchased shares of Common Stock at \$10.00 per share, as follows: Mr. Dodge: 4,000,000 (Class B); Mr. Box: 450,000 (Class A); Mr. Charlton H. Buckley: 300,000 (Class A); each of Messrs. Eisenstein and Steven J. Moskowitz: 25,000 (Class A); Mr. Arthur Kellar: 400,000 (Class A); Mr. Stoner, his wife and certain family trusts: 649,950 (Class B); other Stoner family and trust purchasers: 150,050 (Class A); and Chase Equity Associates: 2,000,000 (Class C).

Messrs. Buckley (one of the selling stockholders) and Kellar were directors of ARS, and Mr. Chavkin, a director of ATS and a former director of ARS, is an affiliate of Chase Equity Associates. Mr. Moskowitz serves as a Vice President of ATS and the General Manager of the Northeast Region.

Payment of the purchase price was in the form of cash in the case of Chase Equity Associates, all members of Mr. Stoner's family and the family trusts (but not Mr. Stoner and his wife) and Messrs. Buckley, Eisenstein, Kellar and Moskowitz, and, in the case of Messrs. Dodge, Box and Stoner (and his wife), in the form of a note that was paid in full upon consummation of the CBS Merger. The notes bore interest at the six-month London Interbank Offered Rate, from time to time, plus 1.5% per annum, and were secured by shares of ARS Common Stock having a fair market value of not less than 175% of the principal amount of and accrued and unpaid interest on the note. The notes were prepayable at any time at the option of the obligor and were due and payable, at the option of ATS, in the event of certain defaults set forth therein.

The ARS Board appointed a special committee (the "Special Committee") consisting of three directors (who were not directors of ATS and who were not a party to the Stock Purchase Agreement) to determine the fairness to ARS from a financial point of view of the terms and conditions of the Stock Purchase Agreement. None of the members of the Special Committee was a party to the Stock Purchase Agreement. No limitations were imposed on the activities of the Special Committee by the ARS Board. The Special Committee retained Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch") to act as its exclusive financial advisor in connection with the transactions contemplated by the Stock Purchase Agreement. No limitations were placed on the activities of Merrill Lynch. Merrill Lynch delivered its written opinion, dated January 8, 1998, to the Special Committee that, as of such date and based upon and subject to the matters set forth therein, the purchase price of \$10.00 per share to be received by ATS pursuant to the Stock Purchase Agreement was fair from a financial point of view to ARS. Based upon such opinion, and its own evaluation of the terms and conditions of the Stock Purchase Agreement, the Special Committee approved the Stock Purchase Agreement as fair to and in the best interests of ARS.

Pursuant to an Engagement Letter, dated November 20, 1997, ARS agreed to pay Merrill Lynch a fee of \$500,000 in consideration for its services. ARS has also agreed to reimburse Merrill Lynch for its expenses, including reasonable fees and expenses of its counsel, and to indemnify Merrill Lynch for liabilities and expenses arising out of its engagement and the transactions in connection therewith, including liabilities under the federal securities laws. ATS is obligated under the ATS-ARS Separation Agreement to reimburse ARS for all such fees and expenses which ARS has incurred to Merrill Lynch and to assume such indemnification obligation.

Amended Credit Facilities. In order to facilitate future growth and, in particular, to finance its construction program in June 1998, ATS and the Borrower Subsidiaries entered into the New Credit Facilities with its senior lenders, pursuant to which the existing maximum borrowing of the Borrower Subsidiaries would be increased from \$400.0 million to \$900.0 million, subject to compliance with certain financial ratios, of which \$125.0 million is outstanding in the form of a term loan, and ATS (the parent company) borrowed an additional \$150.0 million. See "Indebtedness of ATS".

SALES AND MARKETING

ATS's sales and marketing personnel target wireless carriers expanding their network capabilities as well as carriers entering new markets. ATS attempts to minimize hurdles to purchasing decisions by offering master license agreements which correspond to the internal requirements of wireless operators. ATS also offers standardized system pricing in areas in which it operates tower networks enabling potential customers to obtain pricing information for an entire service area rather than on a tower-by-tower basis. ATS believes customer satisfaction is the key to successful marketing and that referrals from its current customers are and will continue to be a primary source of new customers.

REGULATORY MATTERS

Federal Regulations. Both the FCC and the FAA regulate towers used for wireless communications and radio and television antennae. Such regulations control the siting, lighting, marking and maintenance of towers

and may, depending on the characteristics of the tower, require registration of tower facilities and issuance of determinations of no hazard. Wireless communications devices operating on towers are separately regulated and independently licensed by the FCC based upon the regulation of the particular frequency used. In addition, the FCC also separately licenses and regulates television and radio stations broadcasting from towers. Depending on the height and location, proposals to construct new antenna structures or to modify existing antenna structures are reviewed by the FAA to ensure that the structure will not present a hazard to aircraft, and such review is a prerequisite to FCC authorization of communication devices placed on the tower. Tower owners also may bear the responsibility for notifying the FAA of any tower lighting failures. ATS generally indemnifies its customers against any failure to comply with applicable standards. Failure to comply with applicable requirements may lead to civil penalties.

The introduction and development of digital television also may affect ATS and some of its largest customers. In addition, the need to install additional antennae required to deliver DTV service may necessitate the relocation of many currently co-located FM antennae. The need to secure state and local regulatory approvals for the construction and reconstruction of this substantial number of antennae and the structures on which they are mounted presents a potentially significant regulatory obstacle to the communications site industry. As a result, the FCC has solicited comments on whether, and in what circumstances, the FCC should preempt state and local zoning and land use laws and ordinances regulating the placement and construction of communications sites. There can be no assurance as to whether or when any such federal preemptive regulations may be promulgated or, if adopted, what form they might take, whether they would be more or less restrictive than existing state and local regulations, or whether the constitutionality of such regulation, if challenged on constitutional grounds, would be upheld.

Local Regulations. Local regulations include city and other local ordinances, zoning restrictions and restrictive covenants imposed by local authorities. 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 ATS's ability to respond to customer demand. In addition, such regulations increase 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 ATS. Such factors could have a material adverse effect on ATS's financial condition or results of operations.

ENVIRONMENTAL MATTERS

Under various federal, state and local environmental laws, ordinances and regulations, an owner of real estate or a lessee conducting operations thereon may become liable for the costs of investigation, removal or remediation of soil and groundwater contaminated by certain hazardous substances or wastes. Certain of such laws impose cleanup responsibility and liability without regard to whether the owner or operator of the real estate or operations thereon knew of or was responsible for the contamination, and whether or not operations at the property have been discontinued or title to the property has been transferred. The owner or operator of contaminated real estate also may be subject to common law claims by third parties based on damages and costs resulting from off-site migration of the contamination. In connection with its former and current ownership or operation of its properties, ATS may be potentially liable for environmental costs such as those discussed above.

ATS believes it is in compliance in all material respects with all applicable material environmental laws. ATS has not received any written notice from any governmental authority or third party asserting, and is not otherwise aware of, any material environmental non-compliance, liability or claim relating to hazardous substances or wastes or material environmental laws. However, no assurance can be given (i) that there are no undetected environmental conditions for which ATS might be liable in the future or (ii) that future regulatory action, as well as compliance with future environmental laws, will not require ATS to incur costs that could have a material adverse effect on ATS's financial condition and results of operations.

COMPETITION

ATS competes for antennae site customers with wireless carriers that own and operate their own tower networks and lease tower space to other carriers, site development companies that acquire space on existing towers for wireless providers and manage new tower construction, other national independent tower companies and traditional local independent tower operators. Wireless service providers that own and operate their own tower networks generally are substantially larger and have greater financial and other resources than ATS. ATS 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 owners, operators and managers of communications sites.

ATS competes for acquisition and new tower construction sites with wireless service providers, site developers and other independent tower operating companies, as well as financial institutions. ATS believes that competition for acquisitions and tower construction sites will increase and that additional competitors will enter the tower market, certain of which may have greater financial and other resources than ATS.

ATS also faces strong competition for build to suit opportunities, principally from other independent communications sites operators and site developers, certain of which have more extensive experience and offer a broader range of services (principally in constructing for themselves rather than managing the construction of others) than ATS can presently offer.

PROPERTIES

ATS's interests in its communications 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 communications site typically consists of a three to five acre tract which supports towers, equipment shelters and guy wires to stabilize the structure. Less than 2,500 square feet are required for a self-supporting tower structure of the kind typically used in metropolitan areas. Land leases generally have twenty (20) to twenty-five (25) year terms, with three five-year renewals, or are for five-year terms with automatic renewals unless ATS otherwise specifies. Some land leases provide "trade-out" arrangements whereby ATS allows the landlord to use tower space in lieu of paying all or part of the land rent. ATS has more than 1,000 land leases. Pursuant to the New Credit Facilities, the senior lenders have liens on, among other things, all leases of tower space, contracts relating to the management of towers for others, cash, accounts receivable, the stock and inter-company debt of all Restricted Subsidiaries, inventory and other personal property, fixtures, intellectual property, as well as certain fee and leasehold interests, and the proceeds thereof of ATS and its Restricted Subsidiaries.

LEGAL PROCEEDINGS

ATS is occasionally involved in legal proceedings that arise in the ordinary course of business. 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 ATS's financial condition or results of operations.

EMPLOYEES

As of June 24, 1998, ATS employed approximately 450 full time individuals and considers its employee relations to be satisfactory.

MANAGEMENT

EXECUTIVE OFFICERS AND DIRECTORS

The following table sets forth certain information concerning the executive officers and directors of ATS:

NAME ----	AGE ---	POSITION -----
Steven B. Dodge(1).....	52	Chairman of the Board, President and Chief Executive Officer
Alan L. Box.....	46	Executive Vice President and Director
Douglas Wiest.....	45	Chief Operating Officer
Arnold L. Chavkin(1)(2)(3).....	46	Director
James S. Eisenstein.....	40	Executive Vice President--Corporate Development
J. Michael Gearon, Jr....	33	Executive Vice President and Director
Fred R. Lummis.....	44	Director
Randall Mays.....	32	Director
Thomas H. Stoner(1)(2)(3).....	63	Director
Joseph L. Winn.....	46	Treasurer and Chief Financial Officer

- - - - -
- (1) Member of the Executive Committee; Mr. Stoner is the Chairman of the Executive Committee.
 - (2) Member of the Audit Committee; Mr. Chavkin is the Chairman of the Audit Committee.
 - (3) Member of the Compensation Committee; Mr. Stoner is the Chairman of the Compensation Committee.

The ATS Board will be expanded to include one or two additional independent directors. Although management has had discussions with certain persons concerning their willingness to serve as independent directors, no decisions or commitments have been made with respect to filling those positions. The two independent directors will be elected annually, commencing in 1999, by the holders of Class A Common Stock, voting as a separate class. All directors hold office until the annual meeting of the stockholders of ATS next following their election or until their successors are elected and qualified. Each executive officer is appointed annually and serves at the discretion of the ATS Board.

As a condition to the consummation of the ATC Merger, two nominees of ATC, Fred R. Lummis, Chairman of the Board, President and Chief Executive Officer of ATC, and Randall Mays, the Chief Financial Officer and Executive Vice President of Clear Channel, one of the principal stockholders of ATC, were elected as directors of ATS, and Mr. Winn resigned as a director of ATS. See "Business--Recent Transactions--ATC Merger" for information with respect to the voting agreement relating to the election of nominees of Mr. Lummis and Clear Channel.

Steven B. Dodge is the Chairman, President and Chief Executive Officer of ATS. Mr. Dodge was also the Chairman of the Board, President and Chief Executive Officer of ARS, a position he occupied since its founding on November 1, 1993 until consummation of the CBS Merger. Dodge was the founder in 1988 of Atlantic Radio, L.P. ("Atlantic") which was one of the predecessor entities of American Radio. Prior to forming Atlantic, Mr. Dodge served as Chairman and Chief Executive Officer of American Cablesystems Corporation ("American Cablesystems"), a cable television company he founded in 1978 and operated as a privately-held company until 1986 when it completed a public offering in which its stock was priced at \$14.50 per share. American Cablesystems was merged into Continental Cablevision, Inc. in 1988 in a transaction valued at more than \$750.0 million, or \$46.50 per share. The initial public offering of ARS Class A Common Stock occurred in June 1995 at a price of \$16.50 per share. Upon consummation of the CBS Merger, each share of ARS Class A Common Stock was exchanged into \$44.00 and one share of Class A Common Stock. Mr. Dodge also serves as a director of American Media, Inc. and the National Association of Broadcasters (the "NAB").

Alan L. Box is an Executive Vice President and a director of ATS. Mr. Box served as Chief Operating Officer of ATS from June 1997 to March 1998 at which time he assumed his present role as the Executive Vice President responsible for the video, voice and data transmission business of ATS. Mr. Box also was an Executive Vice President and a director of ARS from April, 1997 when EZ Communications, Inc. ("EZ") merged into

ARS (the "EZ Merger") until consummation of the CBS Merger. Prior to the EZ Merger, Mr. Box was employed by EZ, starting in 1974 as the General Manager of EZ's Washington, D.C. area radio station. He became Executive Vice President and General Manager and a director of EZ in 1979, President of EZ in 1985 and Chief Executive Officer of EZ in 1995. He serves as a director of George Mason Bankshares, Inc. and George Mason Bank.

Arnold L. Chavkin is the Chairman of the Audit Committee of the Board of ATS. Mr. Chavkin was the Chairman of the Audit Committee of the Board of American Radio since its founding until consummation of the CBS Merger. Mr. Chavkin is a general partner of Chase Capital Partners ("CCP"), previously known as Chemical Venture Partners ("CVP"), which is a general partner of Chase Equity Associates ("CEA"), a stockholder of ARS and ATC, and previously a principal stockholder of Multi Market Communications, Inc., one of the predecessors of American Radio. Mr. Chavkin has been a General Partner of CCP and CVP since January 1992 and has served as the President of Chemical Investments, Inc. since March 1991. Chase Capital, which is an affiliate of Chase Equity Associates, owned approximately 18.1% of ATC; Chase, which is also an affiliate of Chase Capital is a lender under the Loan Agreement with a 6.75% participation. Mr. Chavkin is also a director of R&B Falcon Drilling Company, Bell Sports Corporation, Wireless One, Inc. and Patina Oil & Gas Corporation. Prior to joining Chemical Investments, Inc., Mr. Chavkin was a specialist in investment and merchant banking at Chemical Bank for six years. For the information with respect to the interests of an affiliate of Mr. Chavkin, CCP and CEA in ATC, see "Business--Recent Transactions--ATC Merger".

James S. Eisenstein is the Executive Vice President--Corporate Development of ATS. Mr. Eisenstein has overall responsibility for seeking out acquisition and development opportunities for ATS. Mr. Eisenstein helped form ATS in the summer of 1995. From 1990 to 1995, he was Chief Operating Officer for Amaturo Group Ltd., a broadcast company operating eleven radio stations and four broadcasting towers, several of which were purchased by American Radio. In February 1998, Mr. Eisenstein was elected to serve on the Board of Directors of the Personal Communications Industry Association, the leading international trade association representing the wireless communications industry. He has extensive experience in structuring acquisitions and the operation and management of broadcasting and tower businesses.

J. Michael Gearon, Jr. was the principal stockholder and Chief Executive Officer of Gearon & Co., Inc., a position he has held since September 1991. As a condition to consummation of the Gearon Transaction, Mr. Gearon was elected a director of ATS and President of Gearon Communications, the division of ATS which operates its site acquisition business. See "Business--Recent Transactions".

Fred R. Lummis, a director of ATS, has served as Chairman, Chief Executive Officer and President of ATC since its organization in October 1994. Mr. Lummis has been the President of Summit Capital, a private investment firm, since 1990. Mr. Lummis served as Senior Vice President of Duncan, Cook & Co., a private investment firm from 1986 to 1990 and as Vice President of Texas Commerce Bank Inc. from 1978 to 1986. Mr. Lummis currently serves on the board of several private companies and is a trustee of the Baylor College of Medicine.

Randall Mays, a director of ATS, has served as Chief Financial Officer and Executive Vice President of Clear Channel since February 1997, prior to which he had served as a Vice President and Treasurer since joining Clear Channel in 1993. Prior to joining Clear Channel, he was an associate at Goldman, Sachs & Co.

Thomas H. Stoner is the Chairman of the Executive Committee and the Compensation Committee of the Board of ATS. Mr. Stoner was the Chairman of the Executive Committee and the Compensation Committee of the Board of American Radio since its founding until consummation of the CBS Merger. Mr. Stoner founded Stoner Broadcasting Systems, Inc. ("Stoner") in 1965. Stoner, which was one of the predecessors of American Radio, operated radio stations for over 25 years in large, medium and small markets. Mr. Stoner is a director of Gaylord Container Corporation and a trustee of the Chesapeake Bay Foundation.

Douglas Wiest is the Chief Operating Officer of ATS. Mr. Wiest joined ATS in February 1998, initially as the Chief Operating Officer of Gearon Communications, and assumed his current position in March 1998. Prior to joining ATS, Mr. Wiest was Regional Vice President of Engineering and Operations for Nextel's southern region. Prior to joining Nextel in 1993, Mr. Wiest was employed by McCaw Communications where he was engaged in network systems development for approximately three years and by Pacific Telesis where he was engaged in strategic planning and operations for approximately eight years.

Joseph L. Winn is the Chief Financial Officer and Treasurer of ATS. Mr. Winn was also Treasurer, Chief Financial Officer and a director of ARS since its founding until consummation of the CBS Merger. In addition to serving as Chief Financial Officer of American Radio, Mr. Winn was Co-Chief Operating Officer responsible for Boston operations until May 1994. Mr. Winn served as Chief Financial Officer and a director of the general partner of Atlantic after its organization. He also served as Executive Vice President of the general partner of Atlantic from its organization until June 1992, and as its President from June 1992 until the organization of ARS. Prior to joining Atlantic, Mr. Winn served as Senior Vice President and Corporate Controller of American Cablesystems after joining that company in 1983.

EXECUTIVE COMPENSATION

All of the executive officers of ATS listed below (other than Mr. Eisenstein) were employees of ARS (or, in the case of Mr. Box, of EZ prior to the EZ Merger) since the organization of ATS in 1995 until consummation of the CBS Merger. During that period the highest paid executive officers, other than Mr. Dodge, who are employees of ATS, were Messrs. Box, Winn and Eisenstein. The compensation of each of those individuals (other than Mr. Eisenstein) was principally for acting as an executive officer of American Radio (or, in the case of Mr. Box, EZ prior to the EZ Merger) and, accordingly, information provided with respect to their executive compensation represents compensation paid by ARS (with the exception of Mr. Eisenstein).

SUMMARY COMPENSATION TABLE

NAME AND PRINCIPAL POSITION	YEAR	ANNUAL COMPENSATION			LONG-TERM COMPENSATION	
		SALARY(3)	BONUS	OTHER ANNUAL COMPENSATION	SHARES UNDERLYING OPTIONS(4)	ALL OTHER COMPENSATION
Steven B. Dodge(1)(2)...	1995	\$252,625	--	--	--	--
Chairman of the Board,	1996	\$297,250	50,000	--	40,000	4,910(5)
President						
and Chief Executive	1997	\$502,338	--	--	100,000	1,716(5)
Officer						
Joseph L. Winn(1)(2)....	1995	\$227,859	--	--	65,000	--
Treasurer and Chief	1996	\$257,250	42,500	--	20,000	11,456(6)
Financial						
Officer	1997	\$352,329	40,000	--	35,000	12,876(6)
Alan L. Box(1)(2).....	1997	\$264,400(7)	--	--	100,000	1,216(8)
Chief Operating Officer						
James S. Eisenstein(2)..	1995	\$ 62,109	--	--	40,000(8)	5,260(9)
Executive Vice	1996	\$169,250	19,000	--	200,000(10)	8,669(9)
President--						
Corporate Development	1997	\$212,367	--	--	20,000(10)	12,656(9)

(1) Represents both annual and long-term compensation paid by ARS.

(2) The Compensation Committee of ATS has approved annual base salaries for 1998 for Mr. Dodge, and each of its other five executive officers, at the following rates: Mr. Dodge: \$250,000; Mr. Box: \$50,000; Mr. Eisenstein \$200,000; Mr. Gearon: \$200,000; Mr. Wiest: \$225,000; and Mr. Winn: \$225,000. Such salaries commenced (in the case of Messrs. Dodge, Winn and Eisenstein) with the consummation of the CBS Merger, prior to which time such individuals (other than Mr. Eisenstein) were paid by ARS at their then present compensation rates.

- (3) Includes American Radio's matching 401(k) plan contributions.
- (4) Represents options to purchase shares of ARS Common Stock granted pursuant to the ARS stock option plan, except in the case of Mr. Eisenstein. See "--Stock Option Information" below.
- (5) Includes group term life insurance and parking expenses paid by ARS.
- (6) Includes group term life insurance, automobile lease and parking expenses paid by ARS.
- (7) Includes \$87,500 paid by ATS commencing October 1, 1997.
- (8) Includes group term life insurance paid by ARS.
- (9) Includes group term life insurance and automobile expenses paid by ATS.
- (10) Represents options to purchase shares of common stock of ATSI granted pursuant to the ATSI Plan. See "--Stock Option Information" below.

DIRECTOR COMPENSATION

The ATS Board will be expanded to include one or two additional independent directors. Such independent directors will be granted options to purchase 25,000 shares of common stock, which will be exercisable in 20% cumulative annual increments commencing one year from the date of grant and will expire at the end of ten years. The outside directors will also receive fees of \$3,000 for each Board of Directors meeting attended and \$1,000 for each committee meeting attended held apart from a board meeting and will be reimbursed for expenses.

STOCK OPTION INFORMATION

Effective November 5, 1997, ATS instituted the 1997 Stock Option Plan, as amended and restated (the "Plan"), which is administered by the Compensation Committee of the ATS Board. The Plan was designed to encourage directors, consultants and key employees of American Tower Systems and its subsidiaries to continue their association with ATS by providing opportunities for such persons to participate in the ownership of ATS and in its future growth through the granting of stock options, which may be options designed to qualify as incentive stock options ("ISOs") within the meaning of Section 422 of the Code, or options not intended to qualify for any special tax treatment under the Code ("NQOs"). The Plan provides that ATS may not grant options to purchase more than 5,000,000 shares per year per participant.

The duration of the ISOs and NQOs granted under the Plan may be specified by the Compensation Committee pursuant to each respective option agreement, but in no event shall any such option be exercisable after the expiration of ten (10) years after the date of grant. In the case of any employee who owns (or is considered under Section 424(d) of the Code as owning) stock possessing more than ten percent of the total combined voting power of all classes of stock of ATS, no ISO shall be exercisable after the expiration of five (5) years from the date such option is granted. The option pool under the Plan consists of an aggregate of 15,000,000 shares of Common Stock that may consist of shares of Class A Common Stock, shares of Class B Common Stock or some combination thereof. As a condition to consummation of the ATC Merger, the Plan was amended to provide that all future grants of options under the Plan must be to purchase shares of Class A Common Stock.

In July 1996, ATSI adopted its 1996 Stock Option Plan (the "ATSI Plan") and, pursuant thereto, options were granted to various officers of ATSI (the "ATSI Options"). In connection with the CBS Merger, those options to purchase the common stock of ATSI will be converted into options to acquire shares of Class A Common Stock (the "ATS Options"). In addition, each option to purchase shares of ARS Common Stock (the "ARS Options") held by persons who will be directors or employees of ATS may be exchanged for ATS Options. The ARS Options will be exchanged in a manner that will preserve the spread in such ARS Options between the option exercise price and the fair market value of ARS Common Stock and the ratio of the spread to the exercise price prior to such conversion and, to the extent applicable, otherwise in conformity with the rules under Section 424(a) of the Code and the regulations promulgated thereunder.

During the year ended December 31, 1997 the only options granted pursuant to the ATSI Plan to the individuals referred to in "--Executive Compensation" above were to Mr. Eisenstein.

OPTION GRANTS IN FISCAL YEAR 1997
INDIVIDUAL GRANTS

NAME	NUMBER OF SHARES OF UNDERLYING EXERCISE OPTIONS GRANTED(A)	PRICE PER SHARE	EXPIRATION DATE	POTENTIAL REALIZABLE VALUE AT ASSUMED ANNUAL RATES OF STOCK PRICE APPRECIATION FOR OPTION TERMS(B)	
				5%	10%
James S. Eisenstein....	27,312	\$5.49	1/2/07	\$ 94,298	\$ 238,970

- (a) Gives effect to the exchange of ATSI Options to purchase 20,000 shares at \$7.50 per share for ATS Options.
- (b) The potential realizable value at assumed annual rates of stock price appreciation for the option term of 5% and 10% would be \$94,298 and \$238,970, respectively. A 5% and 10% per year appreciation in stock price from \$5.49 per share yields appreciation of \$3.45 per share and \$8.75 per share, respectively. The actual value, if any, Mr. Eisenstein may realize will depend on the excess of the stock price over the exercise price on the date the option is exercised, so that there is no assurance the value realized by an executive will be at or near the amounts reflected in this table.

The only unexercised options granted pursuant to the ATSI Plan to the individuals referred to in "--Executive Compensation" above were to Mr. Eisenstein.

NAME	NUMBER OF UNEXERCISED OPTIONS AT DECEMBER 31, 1997		VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS AT DECEMBER 31, 1997(B)	
	EXERCISABLE(A)	UNEXERCISABLE	EXERCISABLE(A)	UNEXERCISABLE
James S. Eisenstein.....	114,709	185,720	\$717,260	\$1,137,479

- (a) In 1996 Mr. Eisenstein was granted options pursuant to the ATSI Plan for an aggregate of 200,000 shares at \$5.00 per share. Such options became exercisable to the extent of 80,000 shares on July 1, 1997 and become exercisable in 20% cumulative annual increments commencing on July 1, 1998, and expire September 9, 2006. Giving effect to the exchange of ATSI Options for ATS Options, Mr. Eisenstein will have options to purchase 273,117 shares of Class A Common Stock at \$3.66 per share, of which 109,247 shares are presently purchasable. An additional ten-year option to purchase 20,000 shares of common stock of ATSI at \$7.50 per share was granted to Mr. Eisenstein on January 2, 1997. Giving effect to the exchange of ATSI Options for ATS Options, this option will convert into an option to purchase 27,312 of shares of Class A Common Stock at \$5.49 per share, of which 5,462 shares are presently purchasable.
- (b) The value of unexercised in-the-money options of Mr. Eisenstein at December 31, 1997, based on an assumed price of \$10.00 per share was approximately \$1,854,739.

In January 1998, the Compensation Committee granted options to purchase shares of Common Stock to the executive officers of ATS in the amounts shown. All such options have an exercise price of \$10.00, the price at which shares of Common Stock were sold pursuant to the Stock Purchase Agreement, are to purchase Class A Common Stock (Class B Common Stock in the case of Mr. Dodge) and become exercisable in 20% cumulative annual increments commencing one year from the grant dates: Mr. Dodge--1,700,000 shares; Mr. Box--120,000 shares; Mr. Eisenstein--28,000 shares; and Mr. Winn--275,000 shares. Pursuant to options granted as a condition to consummation of the Gearon Transaction, Messrs. Gearon and Wiest received options to purchase 234,451 shares and 240,001 shares, respectively, of Class A Common Stock at \$13.00 per share, which also become exercisable in 20% cumulative annual increments. In June 1998, following consummation of the ATC Merger, the Compensation Committee granted options to purchase shares of Class A Common Stock to certain executive officers of ATS, at an exercise price of \$21.125 per share, all of which become exercisable in 20% cumulative annual increments, as follows: Mr. Dodge--1,300,000 shares; Mr. Box--80,000 shares; Mr. Eisenstein--22,000 shares; and Mr. Winn--210,000 shares.

All employees of ARS who became employees of ATS (which includes, among others, Messrs. Box, Dodge, Eisenstein and Winn) who held options to purchase ARS Common Stock (including Mr. Box: 100,000 shares; Mr. Dodge: 290,000 shares; Mr. Eisenstein: 40,000 shares; and Mr. Winn: 280,000 shares) were given the opportunity to convert their ARS Options into ATS Options. Such conversion was effectuated upon consummation of the CBS Merger in a manner designed to preserve the spread in such ARS Options between the option exercise price and the fair market value of ARS Common Stock and the ratio of the spread to the exercise price prior to such conversion and, to the extent applicable, otherwise in conformity with the rules under Section 424(a) of the Code and the regulations promulgated thereunder. Messrs. Box, Dodge, Eisenstein and Winn exercised their respective rights to exchange ARS Options for ATS Options such that such individuals hold ATS Options as follows (based on a \$64 7/8 and \$20 7/8 per share value for the ARS Common Stock and Common Stock, respectively): Mr. Box: 310,778 shares of Class A Common Stock at \$8.77 per share; Mr. Dodge: an aggregate of 901,257 shares of Class B Common Stock at prices ranging between \$3.19 and \$10.00 per share; Mr. Eisenstein: 124,311 shares of Class B Common Stock at \$7.64 per share; and Mr. Winn: an aggregate of 405,037 shares of Class B Common Stock and 25,080 shares of Class A Common Stock at prices ranging between \$2.05 and \$9.09 per share. The information set forth above does not include such to be exchanged ARS Options held by Messrs. Dodge, Box, Eisenstein and Winn. See "Principal and Selling Stockholders".

In addition to options outstanding and to be outstanding under the Plan, ATS has issued options to purchase an aggregate of 1,862,806 shares pursuant to the exchange of ARS options (including those shown above for certain executive officers) and 1,252,364 shares pursuant to the exchange of ATC options.

CERTAIN TRANSACTIONS

Chase was a lender with a 6.75% participation under the 1997 Loan Agreement and has a 5.2% participation under the New Credit Facilities for the Borrower Subsidiaries. Chase is an affiliate of CVP, the general partner of CEA; Mr. Chavkin, a director of ATS and ARS, is a general partner of CVP. At June 20, 1998, the aggregate principal amount outstanding under the New Credit Facilities of the Borrower Subsidiaries was approximately \$294.0 million. Chase's share of interest and fees paid by ATS pursuant to the provisions of the 1997 Loan Agreement was \$0.3 million in 1997. For information with respect to the interests of Chase Capital, an affiliate of Mr. Chavkin, in ATC and the ATC Merger, see "Business--Recent Transactions--ATC Merger".

For information with respect to the sale of shares of Common Stock to Mr. Dodge and certain other officers and directors (and their affiliates, family members and family trusts) of ARS and ATS, see "Business--Recent Transactions--Stock Purchase Agreement".

For information with respect to the continuing relationship between ATS and ARS, see "Relationship between ATS and ARS".

Management believes that the above transactions (other than the lease arrangements with ARS which were negotiated with CBS on a below-market basis), to the extent they were with affiliated parties, were on terms, and ATS intends to continue its policy that all future transactions between it and its officers, directors, principal stockholders and affiliates will be on terms, not less favorable to ATS than those which could be obtained from unaffiliated parties.

PRINCIPAL AND SELLING STOCKHOLDERS

The following information sets forth certain information known to ATS as of June 29, 1998 with respect to the shares of Common Stock that are beneficially owned as of such date by (i) each person known by ATS to own more than 5% of the outstanding Common Stock, (ii) each director of ATS, (iii) each executive officer of ATS, and (iv) all directors and executive officers of ATS as a group. The table also sets forth information of a comparable nature giving effect, in addition to the foregoing, to the consummation of this Offering. The number of shares beneficially owned by each director or executive officer is determined according to the rules of the Commission, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rules, beneficial ownership includes any shares as to which the individual or entity has sole or shared voting power or investment power and also any shares which the individual or entity has the right to acquire within sixty days of June 29, 1998 through the exercise of an option, conversion feature or similar right. Except as noted below, each holder has sole voting and investment power with respect to all shares of Common Stock listed as owned by such person or entity.

	SHARES OF COMMON STOCK BENEFICIALLY OWNED PRIOR TO THIS OFFERING					PRO FORMA FOR THIS OFFERING+		
	NUMBER	PERCENT OF CLASS A	PERCENT OF CLASS B	PERCENT OF COMMON STOCK	PERCENT OF TOTAL VOTING POWER	SHARES BEING OFFERED	PERCENT OF COMMON STOCK	PERCENT OF TOTAL VOTING POWER
DIRECTORS AND EXECUTIVE OFFICERS								
Steven B. Dodge(1).....	6,555,326	*	68.87	8.25	40.28	--	6.59	35.81
Thomas H. Stoner(2).....	1,587,377	*	17.00	2.01	9.79	--	1.60	8.68
Alan L. Box(3).....	913,084	1.37	--	1.16	*	--	*	*
James S. Eisenstein(4)..	214,296	*	*	*	*	--	*	*
J. Michael Gearon, Jr.(5).....	4,711,113	7.06	--	5.96	3.01	--	4.69	2.63
Fred R. Lummis(6).....	1,812,072	2.70	--	2.28	1.15	--	1.82	1.02
Randall Mays (Clear Channel)(7).....	9,019,717	13.51	--	11.41	5.76	--	9.11	5.11
Douglas Wiest(8).....	44,444	*	--	*	*	8,888	*	*
Joseph L. Winn(9).....	279,908	*	3.03	*	1.74	--	*	1.55
Arnold L. Chavkin (CEA)(10).....	9,827,231	9.79	--	12.44	4.17	--	9.92	3.70
All executive officers and directors as a group (ten persons)(11).....								
	34,963,568	34.62	87.78	43.59	65.68	--	34.82	58.44
FIVE PERCENT STOCKHOLDERS								
Baron Capital Group, Inc.(12).....	6,603,150	9.89	--	8.36	4.22	--	6.67	3.74
OTHER SELLING STOCKHOLDERS								
Dan King Brainard(13)...	548,889	*	--	*	*	148,889	*	*
The 1997 Gearon Family Trust(14).....	471,111	*	--	*	*	71,111	*	*
Arnold 1994 Limited Partnership(15).....	494,202	*	--	*	*	192,671	*	*
Arnold Family Limited Partnership(16).....	494,202	*	--	*	*	192,671	*	*
BOCP II, Limited Liability Company(17)..	1,014,607	1.52	--	1.28	*	1,014,607	*	*
Equus Equity Appreciation Fund, L.P.(18).....	1,860,242	2.78	--	2.35	1.19	732,151	1.14	*
Karen Edwards Kwilosz(19).....	6,666					6,666		
William R. Lummis(20)...	563,563	*	--	*	*	202,305	*	*
Ransom C. Lummis(21)....	127,163	*	--	*	*	25,457	*	*
Isabel Stude Lummis(22).....	32,754	*	--	*	*	6,557	*	*
Melham Inc.(23).....	172,537	*	--	*	*	172,537	*	*
Mayfirst Associates Ltd.(24).....	103,377	*	--	*	*	108,377	*	*
Summit Capital Inc.(25).....	963,356	1.44	--	1.22	*	289,007	*	*
Ann Isabel Stude Trust I(26).....	93,445	*	--	*	*	19,267	*	*
Scott R. McQueen(27)....	360,000					204,375	*	*
Randall T. Odeneal(28)..	360,000					179,375	*	*
Charlton H. Buckley(29).....	1,773,057	2.66	--	2.24	1.13	300,000	1.49	*
TOTAL SHARES.....						3,866,023		

* Less than 1%.

+ Does not include 2,386,602 shares of Class A Common Stock issuable by ATS pursuant to the over-allotment option granted to the Underwriters.

(1) Mr. Dodge is Chairman of the Board, President and Chief Executive Officer of ATS. His address is 116 Huntington Avenue, Boston, Massachusetts 02116. Does not include an aggregate of 509,677 shares of Class B Common Stock purchasable under ATS Options received in exchange for ARS Options upon consummation

of the CBS Merger; includes an aggregate of 391,580 shares of Class B Common Stock as to which such options are exercisable. Includes 10,030 shares of Class A Common Stock and 4,037,114 shares of Class B Common Stock owned by Mr. Dodge, an aggregate of 25,050 shares of Class A Common Stock and 20,832 shares of Class B Common Stock owned by three trusts for the benefit of Mr. Dodge's children, 66,720 shares of Class A Common Stock and 2,000,000 shares of Class B Common Stock owned by a limited liability company, of which Mr. Dodge is the sole member and 3,000 shares of Class A Common Stock owned by Mr. Dodge's wife. Mr. Dodge disclaims beneficial ownership in all shares owned by such trusts and his wife. Does not include 1,700,000 shares of Class B Common Stock purchasable under an option granted on January 8, 1998 and 1,300,000 shares of Class A Common Stock purchasable under an option granted on June 22, 1998 to Mr. Dodge under the Plan and 170 shares of Class A Common Stock held by Thomas S. Dodge, an adult child of Mr. Dodge, with respect to which Mr. Dodge disclaims beneficial ownership.

- (2) Mr. Stoner is Chairman of the Executive Committee of the ATS Board. His address is 116 Huntington Avenue, Boston, Massachusetts 02116. Does not include 12,431 shares of Class A Common Stock purchasable under an ATS Option received in exchange for an ARS Option upon consummation of the CBS Merger and 25,000 shares of Class A Common Stock purchasable under an option granted on January 8, 1998 to Mr. Stoner under the Plan; includes 3,108 shares of Class A Common Stock as to which such exchanged option is exercisable. Includes 46,311 shares of Class B Common Stock owned by his wife, 160,998 shares of Class B Common Stock and 36,000 shares of Class A Common Stock owned by a charitable foundation, of which Mr. Stoner serves as an officer and an aggregate of 403,460 shares of Class B Common Stock and 22,500 shares of Class A Common Stock owned by trusts of which he and/or certain other persons are trustees. Mr. Stoner disclaims beneficial ownership of 232,128 shares of Class B Common Stock and 58,500 shares of Class A Common Stock owned by the charitable foundation and such trusts. Does not include 100,675 shares of Class A Common Stock and 62,454 shares of Class B Common Stock owned by Mr. Stoner's adult children.
- (3) Mr. Box is a director and an Executive Vice President of ATS. His address is 116 Huntington Avenue, Boston, Massachusetts 02116. Includes 2,070 shares of Class A Common Stock owned by two trusts for the benefit of Mr. Box's children and 62,156 shares of Class A Common Stock purchasable under ATS Options received in exchange for ARS Options upon consummation of the CBS Merger. Does not include 248,622 shares of Class A Common Stock purchasable under such exchanged ATS Options or 120,000 shares of Class A Common Stock purchasable under an option granted on January 8, 1998 and 80,000 shares of Class A Common Stock purchasable under an option granted on June 22, 1998 to Mr. Box under the Plan.
- (4) Mr. Eisenstein is Executive Vice President--Corporate Development of ATS. His address is 116 Huntington Avenue, Boston, Massachusetts 02116. Does not include 49,724 shares of Class B Common Stock purchasable under ATS Options received in exchange for ARS Options upon consummation of the CBS Merger; includes 74,587 shares of Class B Common Stock as to which such options will be exercisable. Does not include an aggregate of 185,720 shares of Class A Common Stock purchasable under ATSI Options which became options to purchase Class A Common Stock; includes an aggregate of 114,709 shares of Class A Common Stock as to which such options are exercisable. Does not include 28,000 shares of Class A Common Stock purchasable under an option granted on January 8, 1998 and 22,000 shares of Class A Common Stock purchasable under an option granted in June 22, 1998 to Mr. Eisenstein under the Plan.
- (5) Mr. Gearon is an Executive Vice President and director of ATS. His address is 116 Huntington Avenue, Boston, Massachusetts 02116. Includes 4,240,002 shares of Class A Common Stock currently owned by Mr. Gearon and 471,111 shares (71,111 of which are to be offered in this Offering) of Class A Common Stock held by a trust for the benefit of Mr. Gearon's children of which J. Michael Gearon, Sr. is the trustee. Mr. Gearon disclaims beneficial ownership in all shares owned by such trust. Does not include 234,451 shares of Class A Common Stock purchasable under options granted on January 22, 1998 to Mr. Gearon under the Plan.
- (6) Mr. Lummis was the Chairman, Chief Executive Officer and President of ATC and is a director of ATS. His address is 3411 Richmond Avenue, Suite 400, Houston, Texas 77046. Includes 95,421 shares of Class A Common Stock owned by Mr. Lummis, an aggregate of 256,252 shares of Class A Common Stock owned by trusts of which he is trustee, 963,356 shares of Class A Common Stock owned by Summit, an affiliate of Mr. Lummis by reason of Mr. Lummis's 50% ownership of the common stock of Summit, and 497,043

shares of Class A Common Stock purchasable under an option originally granted by ATC which became an option to purchase Class A Common Stock pursuant to the ATC Merger.

- (7) Mr. Mays, the Chief Financial Officer and an Executive Vice President of Clear Channel, is a director of ATS. His address is P.O. Box 659512, San Antonio, Texas 78265-9512. Clear Channel owns all of the shares of Class A Common Stock shown in the table. Mr. Mays disclaims beneficial ownership of Clear Channel's ownership of such shares.
- (8) Mr. Wiest is the Chief Operating Officer of ATS. His address is 116 Huntington Avenue, Boston, Massachusetts 02116. Includes 44,444 shares of Class A Common Stock owned by Mr. Wiest. Does not include 240,001 shares of Class A Common Stock purchasable under options granted on January 22, 1998 to Mr. Wiest under the Plan.
- (9) Mr. Winn is the Treasurer and Chief Financial Officer of ATS. His address is 116 Huntington Avenue, Boston, Massachusetts 02116. Includes 2,000 shares of Class A Common Stock and 230,657 shares of Class B Common Stock owned individually by Mr. Winn and 100 shares of Class A Common Stock held for the benefit of his children. Does not include an aggregate of 110,464 shares of Class B Common Stock and 20,064 shares of Class A Common Stock purchasable under ATS Options received in exchange for ARS Options upon consummation of the CBS Merger; includes an aggregate of 42,135 shares of Class B Common Stock and 5,016 shares of Class A Common Stock as to which such options are exercisable. Does not include an aggregate of 275,000 shares of Class A Common Stock purchasable under an option granted on January 8, 1998 and 210,000 shares of Class A Common Stock purchasable under an option granted on June 22, 1998 to Mr. Winn under the Plan.
- (10) Mr. Chavkin is a director of ATS. His address is 116 Huntington Avenue, Boston, Massachusetts 02116. Mr. Chavkin, as a general partner of CCP, which is the general partner of CEA may be deemed to own beneficially shares held by CEA and Chase Capital, an affiliate of Mr. Chavkin. Includes 26,911 shares of Class A Common Stock and 3,295,518 shares of Class C Common Stock owned by CEA, 5,201,163 shares of Class A Common Stock owned by Chase Capital and 1,300,531 shares of Class A Common Stock owned by Archery Partners, which may be deemed an affiliate of Chase Capital. Mr. Chavkin disclaims such beneficial ownership of such shares. The address of CCP and CEA is 380 Madison Avenue, 12th Floor, New York, New York 10017. Does not include 12,431 shares of Class A Common Stock purchasable under an ATS Option received in exchange for an ARS Option upon consummation of the CBS Merger and 25,000 shares of Class A Common Stock purchasable under an option granted on January 8, 1998 to Mr. Chavkin under the Plan; includes 3,108 shares of Class A Common Stock as to which such exchanged option is exercisable.
- (11) Includes all shares stated to be owned in the preceding notes.
- (12) The address of Baron Capital Group, Inc. ("Baron") is 767 Fifth Avenue, New York, New York 10153. Based on Baron's Amendment No. 4 to Schedule 13D dated March 27, 1998, Mr. Baron, the president of Baron, has sole voting power over 180,000 shares of Class A Common Stock, shared voting power over 1,883,150 shares of Class A Common Stock, sole dispositive power over 180,000 shares of Class A Common Stock and shared dispositive power over 1,883,150 shares of Class A Common Stock. Mr. Baron disclaims beneficial ownership of 6,603,150 shares of Class A Common Stock.
- (13) The address of Dan King Brainard is 1760 The Exchange, N.W., Suite 200, Atlanta, Georgia 30076.
- (14) The address of the trustee for The 1997 Gearon Family Trust is 1760 The Exchange, N.W., Suite 200, Atlanta, Georgia 30076. After such sale, The 1997 Gearon Family Trust will have 400,000 shares of Class A Common Stock. J. Michael Gearon, Sr. is the sole trustee of the trust. The children of J. Michael Gearon, Jr. are the beneficiaries of the trust.
- (15) The address of Arnold 1994 Limited Partnership is 1001 Fannin, Suite 720, Houston, Texas 77002.
- (16) The address of Arnold Family Limited Partnership is 1001 Fannin, Suite 720, Houston, Texas 77002.
- (17) The address of BOCF II, Limited Liability Company, an affiliate of Banc One Corporation, is 150 East Bay Street, 24th floor, Columbus, Ohio 43215.
- (18) The address of Equus Capital Corporation is 2929 Allen Parkway, Suite 2500, Houston, Texas 77019. Equus Equity Appreciation Fund, L.P. is a limited partnership, the general partner of which is Equus Capital Corporation.
- (19) The address of Karen Edwards Kwilosz is 675 Winnmark Drive, Roswell, Georgia 30076.
- (20) The address of William R. Lummis is 4525 Texas Commerce Tower, 600 Travis, Houston, Texas 77002. Mr. Lummis is the father of Fred Lummis, a director of ATS.

- (21) The address of Ransom C. Lummis is 910 Travis, Houston, Texas 77002. Mr. Lummis is the brother of Fred Lummis, a director of ATS.
- (22) The address of Isabel Stude Lummis is 910 Travis, Houston, Texas 77002. Ms. Lummis is the sister-in-law of Fred Lummis, a director of ATS.
- (23) The address of Melham Inc. is 5 Post Oak Park, Suite 2560, Houston, Texas 77027.
- (24) The address of Mayfirst Associates Ltd. is 5 Post Oak Park, Suite 2560, Houston, Texas 77027.
- (25) The address of Summit Capital Inc. is 8 Greenway Plaza, Suite 714, Houston, Texas 77046. Fred Lummis, a director of ATS, serves as the President of Summit Capital.
- (26) The address of the trustee for the Ann Isabel Stude Trust I is 1600 Smith, Suite 5100, Houston, Texas 77002.
- (27) The address of Scott R. McQueen is 1921 Gallows Road, Vienna, Virginia 22182.
- (28) The address of Randall T. Odeneal is 1921 Gallows Road, Vienna, Virginia 22182.
- (29) The address of Charlton H. Buckley is 31 Lake Front Drive, Glenbrook, Nevada 89413.

RELATIONSHIP BETWEEN ATS AND ARS

ATS, ARS and CBS have entered into the ARS-ATS Separation Agreement to provide, among other things, for (i) the sharing of various liabilities and obligations, including without limitation those relating to the taxes payable by ARS as a consequence of the consummation of the CBS Merger, (ii) certain adjustments based on ARS's working capital and indebtedness as of the Effective Time of the CBS Merger, and (iii) the leasing of space to ARS on certain of ATS's towers. The following is a summary description of the rights and obligations of the parties under the ARS-ATS Separation Agreement, a copy of which has been filed as an exhibit to the Registration Statement. The summary is qualified in its entirety by reference to the full and complete text of the ARS-ATS Separation Agreement. Certain terms used in this Section without definition are defined in the ARS-ATS Separation Agreement or incorporated therein by reference to the CBS Merger Agreement.

SHARING OF TAX AND OTHER CONSEQUENCES

With respect to the terms and conditions of the CBS Merger, including the sharing of the tax consequences thereof, the ARS-ATS Separation Agreement provides as follows:

(a) American Tower Systems is obligated to indemnify CBS and American Radio and its Subsidiaries (other than the Tower Subsidiaries, collectively the "ATS Group") harmless from and against any liabilities (other than certain tax liabilities) to which American Radio or any of its Subsidiaries (other than the ATS Group) may be or become subject that relate to or arise from the assets, business, operations, debts or liabilities of the ATS Group, including without limitation (i) the assets to be transferred to ATS except certain leases listed in the CBS Merger Agreement, including without limitation, (z) the assets (or debts or liabilities associated therewith) to be transferred to ATS pursuant to the provisions of Article 11 of the ARS-ATS Separation Agreement; (ii) liabilities (A) in connection with the distribution of the Tower Stock Consideration as part of the CBS Merger, (B) relating to or arising from any agreement, arrangement or understanding (other than the Merger Agreement and the Collateral Documents, except as otherwise expressly set forth therein) entered into by American Radio, ATS or any member of the American Tower Group (x) for the benefit of any member of the ATS Group, (y) in contemplation of the CBS Merger or (z) with respect to the sale, assignment, transfer or other disposition of shares of Common Stock, (C) relating to or arising from any untrue statement or alleged untrue statements of a material fact contained in the Prospectus furnished to the holders of ARS Convertible Preferred Stock, any proxy statement used in connection with any ARS stockholder meeting with respect to approval of the Tower Merger, the Registration Statement or in any document filed, or any document delivered to any securityholder of American Radio, or required to be filed in connection with the CBS Merger, or in any document filed or required to be filed by American Radio or any member of the ATS Group in connection with the preceding clause (B) or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, except with respect to information provided by or relating solely to American Radio (excluding ATS Mergercorp and the ATS Group) that is contained in or expressly consistent with (x) the Filed American SEC Documents, (y) the American Form 10-Q or (z) the American Included SEC Information (which American Radio has agreed to furnish and which excludes information pertaining to the CBS Merger, the Tower Separation and certain other related information), or (D) in connection with any action or omission of any Tower Employee for the benefit of, including without limitation in furtherance of the business of, any member of the American Tower Group or in connection with or incident to such employee's duties and responsibilities as a Tower Employee, (iii) any economic impact related to or arising from the failure to obtain any government authorizations, private authorizations or other third party consents, or to make any governmental filings, necessary to consummate the CBS Merger, (iv) the rental and related expenses for the relevant portion of the leased premises located at 116 Huntington Avenue, Boston Massachusetts in the event of the failure to obtain the landlord's consent to the assignment of the obligations relating to, or sublease of, such relevant portion of such premises, and (v) total defects relating to the assets conveyed or to be conveyed by ARS to ATS pursuant to the ARS-ATS Separation Agreement.

(b) American Radio is obligated to indemnify the ATS Group and hold it harmless from and against any liabilities (other than certain tax liabilities) to which the ATS Group may be or become subject that relate to or arise from (i) the assets, business, operations, debts or liabilities of American Radio or its Subsidiaries (other than the ATS Group) whether arising prior to, concurrent with or after the CBS Merger, or (ii) the American Included SEC Documents.

(c) The allocation of Tax liabilities and deconsolidation of American Radio and the ATS Group is to be made in accordance with the principles set forth in the ARS-ATS Separation Agreement, including without limitation that ATS is obligated to indemnify (and make whole on an after-tax basis) CBS for all Taxes imposed by any Taxing Authority on any member of the American Tax Group or on CBS as a result of or in connection with (i) the sale or transfer of assets to the American Tower Group pursuant to Section 11.2 of the ARS-ATS Separation Agreement (or between members of the American Tax Group prior to the final transfer to a member of the American Tower Group or between members of the American Tower Group), (ii) the CBS Merger, (iii) the Tower Separation, (iv) any other disposition or issuance of stock of ATS contemplated or permitted by the CBS Merger Agreement or any Collateral Document, (v) the merger of ATS with any other Person, (vi) the transactions occurring on or about January 20-21, 1998, involving ATSLP or interests therein, as the case may be, or otherwise in connection with the Tower Deconsolidation or related transactions, or (vii) the exercise (or cashout) of stock options of employees of the ATS Tax Group, including without limitation any Taxes (1) on any gain to any member of the American Tax Group arising under Section 311 of the Code, (2) on any deferred gain to any member of the American Tax Group triggered as a result of or upon any such event, (3) on any gain attributable to any excess loss account triggered upon any such event, (4) arising as a result of the election or other transactions contemplated by Section 4.2(j) of the ARS-ATS Separation Agreement, (5) on any income or gain arising as a result of transactions described in Section 6.8(a) of the CBS Merger Agreement, (6) as a result of the timing of the payment of Taxes (including, without limitation, any estimated Taxes) under the ARS-ATS Separation Agreement, (7) on any gain on the conversion of ARS Convertible Preferred Stock into Common Stock, and (8) in the nature of any transfer Taxes arising from any such event, all to the extent that the additional liability for such Taxes payable by the American Tax Group as a consequence of such events (on a "but for" basis) exceeds \$20,000,000. ATS is entitled to pursue in the name of ARS, but for its own account and at its own cost and expense, a refund claim with respect to the issue of whether the tax indemnity required under the ARS-ATS Separation Agreement gives rise to an adjustment to the tax basis of ARS's interest in American Tower (the so-called "make-whole" provision). The ARS-ATS Separation Agreement also provides that, subject to certain limitations, in computing the amount of taxable gain that is recognized by ARS in connection with the distribution of the Common Stock, ARS shall, if so requested by ATS, report the amount so realized based on the "fair market value" of such stock as determined by an appraisal prepared by a mutually agreed upon appraiser and, under certain circumstances, ATS would be required to provide letters of credit or other security satisfactory to CBS in connection with filings based on such appraisal and certain other reporting positions.

(d) The ARS-ATS Separation Agreement provides that a member of the ATS Group shall assume to the extent permitted by the landlord, the obligations under the lease of 116 Huntington Avenue, Boston, Massachusetts, with respect to the relevant portion of such leased premises.

(e) American Radio is obligated to transfer, or cause its Subsidiaries to transfer, to ATS the communications towers agreed upon by CBS and American Radio prior to the execution of the CBS Merger Agreement (the "Transferred Towers"), and ATS is obligated to assume all of American Radio's and such Subsidiaries' obligations with respect to the Transferred Towers to the extent set forth in the ARS-ATS Separation Agreement.

(f) Upon the consummation of the CBS Merger, certain employees of American Radio (the "ATS Employees") were offered full-time employment by ATS or one of its Subsidiaries. Members of the ATS Group have agreed, for a period of eighteen (18) months following the consummation of the CBS Merger, not to actively solicit or seek to hire any employees of American Radio or its Subsidiaries not engaged in the business of the ATS Group as of the date of the original CBS Merger agreement, other than the ATS

Employees, it being understood and agreed that such agreement shall not be deemed to prevent members of the ATS Group from placing general advertisements in publications or on the Internet or soliciting any such employee who (i) initiates employment discussions with a member of the ATS Group or (ii) is not employed by American Radio or CBS or any of their respective Subsidiaries on the date such a member first solicits such employee.

The ARS-ATS Separation Agreement contains detailed provisions with respect to the rights and obligations of the Indemnitees and the indemnifying parties, including as to when the indemnifying party is not entitled to assume the defense of certain Third Party Actions. For a complete description of the material terms and conditions of the ARS-ATS Separation Agreement relating to the sharing of tax and other liabilities, see the ARS-ATS Separation Agreement. See also "Prospectus Summary--American Tower Systems--CBS Merger" and "Unaudited Pro Forma Condensed Consolidated Financial Statements of American Tower Systems".

CLOSING DATE ADJUSTMENTS

The ARS-ATS Separation Agreement also contains provisions relating to adjustments of the amount required to be paid by CBS in the CBS Merger, based on American Radio's working capital and indebtedness as of the Closing Date. Any such adjustments are required to be paid by or to ATS. With respect to such adjustments, the ARS-ATS Separation Agreement provides, among other things, for an adjustment as follows:

(a) Subject to paragraph (c) below, if Closing Working Capital is less than \$70,000,000 plus \$15.0 million (which the parties have agreed is the agreed upon value of the tax benefit attributable to the exercise of all options or the cancellation for value of options) (the "WC Amount"), then ATS shall, and if Closing Working Capital is greater than the WC Amount, CBS shall, owe the other the amount of such difference. The term "Working Capital" shall mean Current Assets minus Liabilities. The terms "Current Assets" and "Liabilities" shall mean the current assets and liabilities of the Post-Closing American Group calculated in accordance with GAAP, except that (i) outstanding principal amount of indebtedness and liquidation preference of preferred stock will be excluded, (ii) cash and notes receivable of employees relating to the exercise of stock options will be excluded, (iii) accruals for taxes will be included except that (A) there shall not be taken into account (I) tax liabilities (x) for which ATS is obligated to indemnify American Radio and its Subsidiaries (other than the ATS Group) pursuant to the provisions of the ARS-ATS Separation Agreement, and (y) of the American Tax Group's in the amount of \$20.0 million, (II) deferred income tax assets and liabilities that exist or arise from differences in basis for tax and financial reporting purposes attributable to acquisitions, exchanges and dispositions or attributable to depreciation and amortization, and (III) Tax benefits arising from (x) net operating losses to the extent that they have reduced income of the American Tax Group described in Section 4.2(b) of the ARS-ATS Separation Agreement (i.e., referred to in paragraph (c) under "--Sharing of Tax and Other Consequences" above, or (y) the exercise or cancellation of options for value or from a disqualifying disposition of stock received upon exercise of incentive stock options between the date of the original CBS Merger Agreement and the Effective Time, and (B) accruals for taxes relating to acquisitions, exchanges or dispositions will be determined in accordance with ARS's past accounting practices, (iv) Current Assets will be increased by amount equal to the sum of (x) the amount derived by multiplying the Cash Consideration by the number of shares of ARS Common Stock held in its treasury as of the Effective Date and (y) the aggregate amount of the spread of \$44.00 over the exercise price of each ARS Option outstanding on the date of the Original CBS Merger Agreement terminated or canceled not for value prior to the Effective Time or for which the holder has elected to receive an option to acquire Common Stock in lieu thereof, less the tax benefit that would have been received with respect to the exercise of such options, (v) Current Assets will be (A) increased (if the number of shares of ARS Common Stock issuable upon conversion of the ARS Convertible Preferred Stock is fewer than 3,750,000) by an amount equal to the amount derived by multiplying the Cash Consideration by the excess of (I) 3,750,000 less (II) the number of shares of ARS Common Stock issuable upon conversion of the ARS Convertible Preferred Stock or (B) decreased (if the number of shares of ARS Common Stock issuable upon conversion of the ARS Convertible Preferred Stock is greater than 3,750,000) by an amount equal to the amount derived by multiplying the Cash Consideration by the excess of (I) the

number of shares of ARS Common Stock issuable upon conversion of the ARS Convertible Preferred Stock less (ii) 3,750,000, (vi) liabilities from the radio broadcasting rights contracts for St. Louis Rams games will be limited to \$3,300,000, (vii) amounts owed by ATS to American Radio pursuant to Section 16.3 of the ARS-ATS Separation Agreement (i.e., certain expenses related to ATS) shall be excluded from Current Assets and liabilities with respect to such amounts shall be excluded from Liabilities, and (viii) liabilities shall not include the liability, if any, of American Radio with respect to payments for ARS Options cancelled pursuant to the provisions of Section 6.8(a) of the Merger Agreement.

(b) Subject to paragraph (c) below, if Closing Net Debt is greater than the Debt Amount minus \$50,419,000, minus cash received by the Post-Closing American Group in respect of options exercised between the date of the Original CBS Merger Agreement and the Effective Time (the "CD Amount"), ATS shall, and if Closing Net Debt is less than the CD Amount, CBS shall, owe the other the amount of such difference. "Debt Amount" shall mean \$1,066,721,000, subject to adjustment for the failure to consummate any of the Recent Transactions relating to American Radio and for the consummation of any other acquisitions or dispositions. The term "Net Debt" shall mean outstanding principal amount of indebtedness (including, without duplication, guarantees of indebtedness) plus outstanding liquidation preference of all preferred stock (other than the ARS Convertible Preferred Stock), including, without limitation, the aggregate liquidation preference of any junior preferred security issued by American to CBS, minus cash, including, without limitation, the aggregate purchase price of any junior preferred security issued by American to CBS; provided, however, Net Debt shall not include indebtedness, if any, of American Radio incurred to fund (i) payments with respect to options canceled pursuant to Section 6.8(a) of the Merger Agreement, or (ii) any liability for which ATS has, in fact, reimbursed American Radio.

(c) The amounts owed pursuant to the provisions of paragraphs (a) and (b) above shall be aggregated or netted, as appropriate (the resulting amount, the "Adjustment Amount"). In the event that the Adjustment Amount minus \$10,000,000 is greater than \$0 (the "Final Adjustment Amount"), the party that owes the Final Adjustment Amount will make payment by wire transfer of immediately available funds of the Final Adjustment Amount together with interest thereon at a rate of interest equal to the lesser of (i) 10% per annum and (ii) if ATS is being charged a rate of interest by a financial institution, such rate, but in no event lower than the prime rate as reported in the The Wall Street Journal on the date of the Closing Statement becomes final and binding on the parties, calculated on the basis of the actual number of days elapsed divided by 365, from the date of the Effective Time to the date of actual payment.

(d) In the event ATS and CBS cannot agree on any item, the dispute will be resolved by the Accounting Firm, whose authority is limited to whether the Closing Statement was prepared in compliance with the requirements set forth above and the allocation of the costs of dispute resolution, and the Accounting Firm is not to make any other determination. The ARS-ATS Separation Agreement provides for interim payments of amounts not in dispute.

(e) During the period of time from and after the delivery of the Closing Statements to ATS through the date the Closing Statement becomes final and binding on CBS, ARS and ATS, CBS will cause the Post-Closing American Group to afford ATS and any accountants, counsel or financial advisors retained by ATS in connection with the adjustments described above reasonable access (with the right to make copies) during normal business hours to the books and records of the Post-Closing American Group to the extent relevant to the adjustments.

(f) Any adjustment pursuant to Article 10 of the ARS-ATS Separation Agreement (i.e., these provisions) shall be taken into account in the calculation of Tax liability pursuant to Section 4.2(b) of the ARS-ATS Separation Agreement, and any increase or decrease in the amount of Taxes that are reimbursable or indemnifiable by the ATS Group as a result of any such adjustment shall be treated as an adjustment to Taxes described in Section 4.2(f) of the ARS-ATS Separation Agreement.

See "Risk Factors--Relationship Between ATS and ARS--Certain Contingent Obligations" for information concerning certain issues that have arisen between ATS and CBS with respect to the interpretation and intent of the working capital adjustments and the CBS Merger Agreement generally.

See Section Article 10 of the ARS-ATS Separation Agreement for a complete description of the Closing Date adjustments. See also "Prospectus Summary--American Tower Systems--CBS Merger" and "Unaudited Pro Forma Condensed Consolidated Financial Statements of American Tower Systems".

LEASE ARRANGEMENTS

In connection with the consummation of the CBS Merger, ATS and ARS entered into the definitive documentation ("Tower Leases") with respect to certain broadcasting towers ("Towers"). The markets in which such Towers are located and the annual "market price" for each antenna are set forth in Exhibit B to the CBS Merger Agreement. Subject to certain exceptions, 14 of the Towers were owned or leased by ARS and in January 1998 became the property of ATS; the balance will be transferred by ARS to ATS upon acquisition by ARS. Each of the Tower Leases contains or will contain standard and customary terms and conditions including the following: (a) with certain exceptions, each Tower Lease will be for a term of twenty (20) years with four (4) renewal periods of five (5) years each; each such renewal to be upon the same terms and conditions as the original Tower Lease; (b) prior to the Effective Time, ARS used its best efforts to extend the term of each lease ("Land Leases") to a minimum duration of twenty (20) years, inclusive of renewal periods, if any, and provide CBS with respect to the Towers subject to the extended Land Leases, tower leases with the equivalent benefits set forth in clauses (c), (d) and (e) and for a minimum duration of twenty (20) years ("Extended Tower Leases"). With respect to any such Land Leases that is not; prior to ninety (90) days following the Effective Time (which was on June 4, 1998), so extended (except with respect to one Land Lease) ARS, ATS and CBS agreed to negotiate in good faith to agree upon definitive documentation to provide CBS, prior to the determination of the Final Adjustment Amount, with respect to the Towers subject to such Land Leases, tower leases with the benefits equivalent of such Extended Tower Leases or mutually agreed to alternative arrangements providing equivalent value to CBS; (c) each Tower Lease will provide that no payments will be payable by CBS for a period of three (3) years from the consummation of the CBS Merger; for the next three (3) years the payments will be as follows: one-third (1/3) of the market price as set forth in Exhibit B to the CBS Merger Agreement corresponding to each FM antenna (or AM/FM antenna) for year four (4); two-thirds (2/3) for year five (5) and full market price for year six (6); thereafter, for the balance of the term and any renewals thereof, the payments will be the market price, together with an annual increase every year, beginning for year seven (7), of the lesser of five percent (5%) or the Consumer Price Index for all Urban Consumers over the previous year's payments (except with respect to three leases which such payments began at the consummation of the CBS Merger, with respect to CBS, and began on January 1, 1998 as between ARS and ATS); (d) all expenses for taxes, insurance, maintenance and utilities in respect of each Tower will be paid by ATS; and (e) ATS has assumed the obligation and responsibility for complying with all applicable law with respect to the Towers.

See Article 11 of the ARS-ATS Separation Agreement for a more complete description of the lease arrangements.

TRANSITIONAL SERVICES

Each of CBS, ARS and ATS have agreed, subject to the terms and conditions of the ARS-ATS Separation Agreement, from and after the consummation of the CBS Merger, to use its reasonable best efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with the other in doing, all things necessary, proper or advisable to provide, in the most expeditious manner practicable, the goods and/or services described in Article 12 of the ARS-ATS Separation Agreement, including without limitation, with respect to, among other things, (i) making its employees, including senior management, available (x) to assist in the preparation of all documents (including tax returns) required to be filed with governmental authorities (including the Commission) or furnished to security holders, (y) to consult regarding the financial software systems currently used by ARS, and (z) to assist in the consummation of all pending acquisitions, exchanges and dispositions or other transactions of ARS and resolving any existing contingent liabilities of ARS, (ii) providing financial and other information with respect to ATS required by CBS or ARS in connection with the preparation of all documents required to be filed with governmental authorities (including the Commission) or furnished to security holders, and (iii) making available or assisting in obtaining all documents prepared for ARS by its

independent accountants and counsel. ATS is obligated to deliver promptly to CBS all books and financial and other records of ARS in its possession (including those located at ATS's corporate headquarters) and all software and hardware located at such corporate headquarters. ATS is entitled to access to and to make copies of all documents, records and other material delivered to CBS.

For a description of the terms and conditions of the ARS-ATS Separation Agreement relating to the providing of transactional services, see Article 12 of the ARS-ATS Separation Agreement.

EXPENSES

Promptly following the consummation of the CBS Merger, ATS is obligated to pay to ARS in immediately available funds (and make ARS whole on an after-tax basis under the principles set forth in the ARS-ATS Separation Agreement) an amount equal to the aggregate costs and expenses incurred by ARS in connection with any agreement, arrangement or understanding (other than the Tower Documentation) entered into by ARS, ATS Mergercorp or any member of the ATS Group following the date of the original CBS Merger Agreement (x) for the benefit of any member of the American Tower Group, (y) in contemplation of the consummation of the CBS Merger or (z) in connection with the sale, assignment, transfer or other disposition of shares of Common Stock, including without limitation such costs and expenses incurred by ARS to Merrill Lynch (as part of the Stock Purchase Agreement) and any such costs and expenses incurred by ARS to Credit Suisse First Boston in excess of those set forth in the engagement letter between ARS and Credit Suisse First Boston provided by ARS to CBS. See Section 16.3 of the ARS-ATS Separation Agreement.

INDEBTEDNESS OF ATS

The summary contained herein of the material provisions of the New Credit Facilities does not purport to be complete and is qualified in its entirety by reference to the New Credit Facilities, which are filed as an exhibit to the Registration Statement of which this Prospectus is a part and to which exhibit reference is made hereby. Capitalized terms used in this Section which are not otherwise defined in this Prospectus shall have the meaning ascribed thereto in the New Credit Facilities.

In order to finance acquisitions of communications sites and other related businesses and the construction of towers and for general corporate purposes, ATS and the Borrower Subsidiaries have borrowed and expect to continue to borrow under the New Credit Facilities. The New Credit Facilities with the Borrower Subsidiaries provide for \$900.0 million credit facilities maturing at the earlier of (a) eight years or (b) June 30, 2006 consisting of the following: (i) a \$250.0 million multiple-draw term loan, (ii) a \$400.0 million reducing revolving credit facility and (iii) a \$250.0 million 364-day revolving credit facility that converts to a term loan facility thereafter. The revolving credit commitments are required to be reduced and the terms loans are required to be amortized, in both cases, quarterly, in increasing amounts designed to amortize the loans by maturity, commencing June 30, 2001. The New Credit Facility with ATS provides for a \$150.0 million term loan maturing at the earlier of (i) eight and one-half years or (ii) December 31, 2006, amortizing quarterly in an amount equal to 2.5% of the principal amount outstanding at June 30, 2001 at the end of each quarter between such date and June 30, 2006, both inclusive, and the balance in two equal installments on September 30 and December 31, 2006. The ATS New Credit Facility was fully drawn at closing and a term loan of \$125.0 million is outstanding under one of the Borrower Subsidiaries' New Credit Facilities.

Until interest rates are fixed or capped at ATS's request, all outstanding amounts under the New Credit Facilities of the Borrower Subsidiaries bear interest at a variable base rate plus a variable margin based on certain of ATS's financial ratios. Interest rates under the New Credit Facilities of the Borrower Subsidiaries are determined, at the option of ATS, at either the LIBOR Rate plus 0.75% to 2.25% or the Base Rate plus 0.00% to 1.25%. The spread over the LIBOR Rate and the Base Rate varies from time to time, depending upon ATS's financial leverage. The Borrower Subsidiaries pay quarterly commitment fees equal to (i) 0.250% or 0.375% per annum, in each case depending on their financial leverage, on the aggregate unused portion of the aggregate \$650.0 million commitment, and (ii) 0.125% on the additional \$250.0 million commitment (until such time as ATS elects to make it part of the permanent commitment). Borrowings may be made under the New Credit Facilities by the Borrower Subsidiaries only so long as they remain in compliance with certain financial ratios and meet certain other conditions. The New Credit Facility of ATS provides for interest rates determined, at the option of ATS, of either the LIBOR Rate (as to be defined) plus 3.50% or the Base Rate (as to be defined) plus 2.5%.

Indebtedness may be incurred under the New Credit Facilities for acquisitions, construction and other capital expenditures, working capital and general corporate purposes, including satisfaction of ATS obligations under the ARS-ATS Separation Agreement with respect to any closing date balance sheet adjustments. The New Credit Facilities of the Borrower Subsidiaries require the maintenance of the following ratios: (i) Senior Debt to Annualized Operating Cash Flow of not more than 6.50:1 declining in stages to 3.00:1 by September 30, 2003 and thereafter; (ii) Total Debt (which includes debt of ATS) to Annualized Operating Cash Flow of not more than 8.00:1 declining in stages to 4.00:1 by September 30, 2003 and thereafter; (iii) Annualized Operating Cash Flow to Fixed Charges ratio of not less than 1.05:1; (iv) Annualized Operating Cash Flow to Interest Expense of not less than 1.50:1 increasing to 2.50:1 at December 31, 2003 and thereafter; and (v) Annualized Operating Cash Flow to Pro Forma Debt Service ratio of not less than 1.10:1 increasing to 1.150:1 at December 31, 2002 and thereafter. The Total Debt to Annualized Operating Cash Flow ratio is also contained in ATS's New Credit Facility.

The New Credit Facilities contain certain financial and operational covenants and other restrictions with which ATS and the Restructured Subsidiaries (which includes the Borrower Subsidiaries) must comply, whether or not there are any borrowings outstanding, including, among other things, restrictions on acquisitions (of

communications site management businesses), additional indebtedness, capital expenditures and investments in Unrestricted Subsidiaries, and restricts the ability of ATS and the Restructured Subsidiaries (which includes the Borrower Subsidiaries) to pay dividends or make other distributions, and to redeem, purchase or otherwise acquire shares of its capital stock or other equity interests and prohibit any such dividend, distribution, redemption, purchase or other acquisition during the existence of a Default or Event of Default thereunder. See "Description of Capital Stock--Dividend Restrictions". ATS's New Credit Facility prohibits the repayment of the indebtedness outstanding thereunder without the consent of the lenders under the New Credit Facilities of the Borrower Subsidiaries.

The loans to ATS and the Borrower Subsidiaries are cross-guaranteed and cross-collateralized by liens on, among other things, all leases of tower space, contracts relating to the management of towers for others, cash, accounts receivable, capital stock (or other equity interests) and inter-company debt of all Restricted Subsidiaries, inventory and other personal property, fixtures, intellectual property, as well as certain fee and leasehold interests, and the proceeds thereof of ATS and its Restricted Subsidiaries. Borrowings under the ATS New Credit Facility are subordinated to the guaranty by ATS of indebtedness under the New Credit Facilities of the Borrower Subsidiaries.

DESCRIPTION OF CAPITAL STOCK

The following summary description of the terms of the capital stock of ATS, including the Interim Preferred Stock and of the Exchange Preferred Stock (collectively sometimes referred to as the "Senior Preferred Stock") is qualified in its entirety by reference to the ATS Restated Certificate (which includes the Certificate of Designation of the Interim Preferred Stock (the "Interim Certificate of Designation") and the Certificate of Designation of the Exchange Preferred Stock (the "Exchange Certificate of Designation" and, collectively with the Interim Certificate of Designation, the "Certificates of Designation")), a copy of each of which has been filed with the Commission and is part of the Registration Statement of which this Prospectus is a part and the summary herein of certain provisions thereof does not purport to be complete and is subject to, and is qualified in its entirety by, reference thereto. Certain terms used in this summary without definition are defined in the ATS Restated Certificate, including one or both of the Certificates of Designation and, unless otherwise noted, have the same meaning as given such terms therein.

GENERAL

The authorized capital stock of American Tower Systems consists of 20,000,000 shares of Preferred Stock, \$.01 par value per share (the "Preferred Stock") 300,000,000 shares of Class A Common Stock, \$.01 par value per share, 50,000,000 shares of Class B Common Stock, \$.01 par value per share, and 10,000,000 shares of Class C Common Stock, \$.01 par value per share. The outstanding shares of Common Stock as of June 29, 1998 were as follows: Class A Common Stock--65,752,078 Class B Common Stock--8,972,847; and Class C Common Stock--3,295,518.

PREFERRED STOCK

The 20,000,000 authorized and unissued shares of Preferred Stock may be issued with such designations, preferences, limitations and relative rights as the ATS Board may authorize, including, but not limited to: (i) the distinctive designation of each series and the number of shares that will constitute such series; (ii) the voting rights, if any, of shares of such series; (iii) the dividend rate on the shares of such series, any restriction, limitation or condition upon the payment of such dividends, whether dividends shall be cumulative, and the dates on which dividends are payable; (iv) the prices at which, and the terms and conditions on which, the shares of such series may be redeemed, if such shares are redeemable; (v) the purchase or sinking fund provisions, if any, for the purchase or redemption of shares of such series; (vi) any preferential amount payable upon shares of such series in the event of the liquidation, dissolution or winding-up of ATS or the distribution of its assets; and (vii) the price or rates of conversion at which, and the terms and conditions on which the shares of such series may be converted into other securities, if such shares are convertible. Although ATS has no present intention to issue shares of Preferred Stock, the issuance of Preferred Stock, or the issuance of rights to purchase such shares, could discourage an unsolicited acquisition proposal.

Interim Preferred Stock. The Interim Preferred Stock has an initial aggregate liquidation preference of \$300.0 million and is issued in the form of a redeemable pay-in-kind preferred stock that is senior to all future issues of Preferred Stock (other than the Exchange Preferred Stock). The Interim Preferred Stock is subject to mandatory redemption one year after issue or, to the extent not so redeemed, is exchangeable, at the option of the holder, for shares of Exchange Preferred Stock with a liquidation preference equal to the liquidation of the Interim Preferred Stock so exchanged plus the applicable Redemption Premium (as defined in the Certificate of Designation of the Interim Preferred Stock). The Interim Preferred Stock pays dividends, which may be paid in kind, at a rate equal to three-month LIBOR plus a margin which will increase based on the length of time the Interim Preferred Stock is outstanding. The Interim Preferred Stock is subject to mandatory redemption one year after the issuance of any Interim Preferred Stock (the "Redemption Date"). If the Interim Preferred is not redeemed on the Redemption Date, the holders of the Interim Preferred will have the option to either exchange the Interim Preferred into the Exchange Preferred Stock or collect dividends at the default rate which shall be set at the greater of the dividend rate payable on the Exchange Preferred Stock or the rate that is payable on the Interim Preferred Stock on the Redemption Date plus 2%. The Exchange Preferred Stock pays dividends at the

greater of (i) the interest rate on eleven year U.S. Treasury Securities (the "Treasury Rate") on the Redemption Date plus the spread applicable to that time and (ii) the Treasury Rate on the date of issuance plus the spread applicable at that time. The Exchange Preferred Stock will be exchangeable at ATS's option into subordinated notes. The Interim Preferred Stock and the Exchange Preferred contain provisions customary to similar securities including financial covenants similar to those of the New Credit Facilities (except for those relating to financial ratios), a change of control provision and provisions permitting the election of two additional directors to the ATS Board of Directors in the event of certain defaults. The Interim Preferred will be redeemed out of the proceeds of this Offering.

COMMON STOCK

Dividends. Holders of record of shares of Common Stock on the record date fixed by the ATS Board are entitled to receive such dividends as may be declared by the ATS Board out of funds legally available for such purpose. No dividends may be declared or paid in cash or property on any share of any class of Common Stock, however, unless simultaneously the same dividend is declared or paid on each share of the other classes of Common Stock, except that in the event of any such dividend in which shares of stock of any company (including American Tower Systems or any of its Subsidiaries) are distributed, such shares may differ as to voting rights to the extent that voting rights now differ among the different classes of Common Stock. In the case of any dividend payable in shares of Common Stock, holders of each class of Common Stock are entitled to receive the same percentage dividend (payable in shares of that class) as the holders of each other class. See "--Dividend Restructures" below.

Voting Rights. Except as otherwise required by law and in the election of directors, holders of shares of Class A Common Stock and Class B Common Stock have the exclusive voting rights and will vote as a single class on all matters submitted to a vote of the stockholders, with each share of Class A Common Stock entitled to one vote and each share of Class B Common Stock entitled to ten votes. The holders of the Class A Common Stock, voting as a separate class, have the right to elect two independent directors. The Class C Common Stock is nonvoting except as otherwise required by Delaware law.

Under Delaware law, the affirmative vote of the holders of a majority of the outstanding shares of any class of common stock is required to approve, among other things, a change in the designations, preferences and limitations of the shares of such class of common stock. Under the ATS Restated Certificate, the affirmative vote of the holders of not less than 66 2/3% of the Class A Common Stock and Class B Common Stock, voting as a single class, is required in order to amend most of the provisions of the ATS Restated Certificate, including those relating to the provisions of the various classes of Common Stock, indemnification of directors, exoneration of directors for certain acts, and such super-majority provision.

Conversion Provisions. Shares of Class B Common Stock and, except as hereinafter noted, Class C Common Stock are convertible, at any time at the option of the holder, on a share for share basis into shares of Class A Common Stock. The present owner of Class C Common Stock can convert such stock only in the event of a Conversion Event (as defined in the ATS Restated Certificate) or with the consent of the ATS Board. Shares of Class B Common Stock automatically convert into shares of Class A Common Stock upon any sale, transfer, assignment or other disposition other than to Permitted Transferees (as defined in the ATS Restated Certificate) which term presently includes certain family members, trusts and other family entities and charitable organizations and upon pledges but not to the pledgee upon foreclosure.

ATC Merger Amendments. As a condition of consummation of the ATC Merger Agreement, the ATS Restated Certificate was amended to (i) limit the aggregate voting power of Steven B. Dodge (and his Controlled Entities as defined therein) to 49.99% of the aggregate voting power of all shares of capital stock entitled to vote generally for the election of directors (less the voting power represented by the shares of Class B Common Stock acquired by the Stoner Purchasers (as defined therein) pursuant to the Stock Purchase Agreement and owned by them or any of their Controlled Entities on Family Members at such time), (ii) prohibit future issuances of Class B Common Stock (except upon exercise of then outstanding options and pursuant to stock dividends or stock splits), (iii) limit transfers of Class B Common Stock to a more narrow group than had previously been provided, (iv) provide for automatic conversion of the Class B Common Stock to Class A Common Stock at

such time as the aggregate voting power of Mr. Dodge (and his Controlled Entities) falls below either (x) 50% of their initial aggregate voting power (immediately after consummation of the ATC Merger) or (y) 20% of the aggregate voting power of all shares of Common Stock at the time outstanding, and (v) require consent of the holders of a majority of Class A Common Stock for amendments adversely affecting the Class A Common Stock.

Liquidation Rights. Upon liquidation, dissolution or winding-up of ATS, the holders of each class of Common Stock are entitled to share ratably (based on the number of shares held) in all assets available for distribution after payment in full of creditors and payment in full to any holders of the Preferred Stock then outstanding of any amount required to be paid under the terms of the Preferred Stock.

Other Provisions. The holders of Common Stock are not entitled to preemptive or subscription rights. The shares of Common Stock presently outstanding are validly issued, fully paid and nonassessable. In any merger, consolidation or business combination, the consideration to be received per share by holders of each class of Common Stock must be identical to that received by holders of the other class of Common Stock, except that in any such transaction in which shares of Common Stock (or any other company) are distributed, such shares may differ as to voting rights to the extent that voting rights now differ among the different classes of Common Stock. No class of Common Stock may be subdivided, consolidated, reclassified or otherwise changed unless, concurrently, the other classes of Common Stock are subdivided, consolidated, reclassified or otherwise changed in the same proportion and in the same manner.

DIVIDEND RESTRICTIONS

ATSI is prohibited under the terms of its New Credit Facilities from paying cash dividends or making other distributions on, or making redemptions, purchases or other acquisitions of, its capital stock (including Preferred Stock) except that, beginning on April 15, 2002, ATSI may, if no Default exists or would be created thereby under the New Credit Facilities, pay cash dividends to the extent that Restricted Payments do not exceed (i) 50% of Excess Cash Flow for the preceding calendar year, or (ii) 50% of the net proceeds of any debt or equity offering after June 16, 1998. Comparable restrictions are imposed on the ability of ATSLP to make distributions to its partners. Since ATS has no other significant assets other than its ownership of all of the capital stock of ATSI and the owner of ATSLP, its ability to pay dividends to its stockholders in the foreseeable future is restricted. ATS's New Credit Facility also restricts cash dividends and other distributions on, and redemptions, purchases or other acquisitions of, ATS capital stock, except in an amount not in excess the net proceeds of any equity offering not used to satisfy its obligations under the ARS-ATS Separation Agreement or for other permitted purposes (such as investments in Unrestricted Subsidiaries).

DELAWARE BUSINESS COMBINATION PROVISIONS

Under the DGCL, certain "business combinations" (including the issuance of equity securities) between a Delaware corporation and any person who owns, directly or indirectly, 15% or more of the voting power of the corporation's shares of capital stock (an "Interested Stockholder") must be approved by the holders of at least 66 2/3% of the voting stock not owned by the Interested Stockholder if it occurs within three years of the date such person became an Interested Stockholder unless prior to such date the ATS Board approved either the business combination or the transaction which resulted in the stockholder becoming an Interested Stockholder. The CBS Merger and the Stock Purchase Agreement were approved by the ATS Board.

LISTING OF CLASS A COMMON STOCK

The Class A Common Stock is traded on the NYSE under the symbol "AMT".

TRANSFER AGENT AND REGISTRAR

The Transfer Agent and Registrar for the Common Stock is Harris Trust and Savings Bank, 311 West Monroe Street, Chicago, Illinois 60606 (telephone number (312) 461-4600).

SHARES ELIGIBLE FOR FUTURE SALE

GENERAL

Upon completion of the Offering, there will be an aggregate of approximately 99.0 million shares of Common Stock outstanding. All of such shares, other than an aggregate of approximately 6.1 million shares issued in connection with the Gearon Transaction and certain other acquisitions and the 8.0 million shares issued pursuant to the Stock Purchase Agreement, will be freely transferable without restriction or future registration under the Securities Act of 1933, as amended (the "Securities Act"), unless held by an "affiliate" (as that term is defined under the Securities Act) of ATS. Persons who may be deemed to be affiliates of ATS after the CBS Merger generally include individuals or entities that directly, or indirectly through one or more intermediaries, control, are controlled by, or are under common control with, ATS. Persons who are affiliates of ATS will be permitted to sell their Common Stock received pursuant to the CBS Merger only pursuant to an effective registration statement under the Securities Act or pursuant to an exemption from registration under the Securities Act, such as the exemption afforded by Rule 144 thereunder. Stockholders who received unregistered shares of Common Stock, including pursuant to the Stock Purchase Agreement and the Gearon Transaction, as well as certain "affiliates" of ATS, have certain demand and "piggy-back" registration rights with respect to their shares of Common Stock.

In general, under Rule 144 as currently in effect, any person (or persons whose shares are aggregated) who has beneficially owned restricted shares of Common Stock for at least one year is entitled to sell, within any three-month period, a number of such shares which does not exceed the greater of 1% of the then outstanding shares of Class A Common Stock (approximately 870,000 shares) or the average weekly public trading volume of the Class A Common Stock during the four calendar weeks preceding the date on which notice of the sale is filed with the Commission. Sales under Rule 144 are also subject to certain manner of sale provisions, notice requirements and the availability of current public information about ATS. Any person (or persons whose shares are aggregated) who has not been an affiliate of ATS at any time during the past three months preceding a sale and who has owned shares of Common Stock for at least two years is entitled to sell such shares under Rule 144(k) without regard to the volume limitations, manner of sale provisions, public information or notice requirements of Rule 144. In February 1997, the Commission solicited comments regarding certain proposed amendments to Rule 144, including reducing the aforementioned one year and two year holding periods.

Options to purchase an aggregate of approximately 10.6 million shares of Common Stock will be outstanding immediately following this Offering. Shares of Common Stock issued upon exercise of such options are registered on Form S-8 under the Securities Act and, therefore, freely transferable under the securities laws. ATS has entered into an agreement to register under the Securities Act shares of Common Stock issued pursuant to the Stock Purchase Agreement, the ATC Merger, the Gearon Transaction, certain other acquisitions and shares held by certain affiliates of ATS.

ATS cannot make any predictions as to the effect, if any, sales of shares of Common Stock, or the availability of shares for future sale, will have on the market price of the Class A Common Stock prevailing from time to time.

UNDERWRITING

Under the terms and subject to the conditions contained in an Underwriting Agreement dated June . , 1998 (the "Underwriting Agreement"), the Underwriters named below (the "Underwriters"), for whom Credit Suisse First Boston, BT Alex. Brown Incorporated, Lehman Brothers Inc., Morgan Stanley & Co. Incorporated, Bear, Stearns & Co. Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Smith Barney Inc. are acting as representatives (the "Representatives"), have severally but not jointly agreed to purchase from ATS and the Selling Stockholders the following respective numbers of shares of Class A Common Stock:

UNDERWRITER -----	NUMBER OF SHARES -----
Credit Suisse First Boston Corporation.....	
BT Alex. Brown Incorporated.....	
Lehman Brothers Inc.	
Morgan Stanley & Co. Incorporated.....	
Bear, Stearns & Co. Inc.	
Merrill Lynch, Pierce, Fenner & Smith Incorporated.....	
Smith Barney Inc.	
Total.....	23,866,023 =====

The Underwriting Agreement provides that the obligations of the Underwriters are subject to certain conditions precedent and that the Underwriters will be obligated to purchase all of the shares offered hereby (other than those shares covered by the over-allotment option described below) if any are purchased. The Underwriting Agreement provides that, in the event of a default by an Underwriter, in certain circumstances the purchase commitments of non-defaulting Underwriters may be increased or the Underwriting Agreement may be terminated.

ATS has granted to the Underwriters an option, expiring at the close of business on the 30th the day after the date of this Prospectus, to purchase an aggregate of up to 2,386,602 additional shares of Class A Common Stock from ATS at the public offering price less the underwriting discounts and commissions, all as set forth on the cover page of this Prospectus. The Underwriters may exercise such option only to cover over-allotments in the sale of the shares of the Class A Common Stock. To the extent that the option is exercised, each Underwriter will become obligated, subject to certain conditions, to purchase approximately the same percentage of additional shares of the Class A Common Stock as it was obligated to purchase pursuant to the Underwriting Agreement.

ATS has been advised by the Representatives that the Underwriters propose to offer the shares to the public at the public offering price set forth on the cover page of this Prospectus and, through the Representatives, to certain dealers at such price less a concession of \$. per share, and the Underwriters and such dealers may allow a discount of \$. per share on sales to certain other dealers. After the public offering, the public offering price and concession and discount to dealers may be changed by the Representatives.

ATS, its officers and directors, the Selling Stockholders and certain other holders of Common Stock have agreed that, for a period of 120 days after the date of this Prospectus, they will not publicly offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, or file with the Commission a registration statement under the Securities Act relating to, any additional shares of its Class A Common Stock, or securities convertible into or exchangeable or exercisable for any shares of its Class A Common Stock, or publicly disclose the intention to make any such offer, sale, pledge, disposal or filing, without the prior written consent of Credit Suisse First Boston, except with respect to (i) private issuances of Class A Common Stock or securities convertible into or exchangeable for Class A Common Stock in connection with acquisitions if the holders thereof agree to be bound by the foregoing 120-day restriction to the same extent as ATS, (ii) grants of employee stock options pursuant to the terms of the Plan, (iii) issuances of Common Stock pursuant to the exercise of stock options, or (iv) conversions of Class B Common Stock or Class C Common Stock into Class A Common Stock.

ATS and the Selling Stockholders have agreed to indemnify the Underwriters against certain liabilities, including civil liabilities under the Securities Act, or contribute to payments which the Underwriters may be required to make in respect thereof.

ATS intends to use more than 10% of the net proceeds from the sale of the Class A Common Stock to redeem Interim Preferred Stock owned by Credit Suisse First Boston Corporation and affiliates of Merrill Lynch, Pierce, Fenner & Smith Incorporated, two of the Representatives. Accordingly, the offering is being made in compliance with the requirements of Rule 2710(c)(8) of the National Association of Securities Dealers, Inc. Conduct Rules. This rule provides generally that if more than 10% of the net proceeds from the sale of stock, not including underwriting compensation, is paid to the underwriters or their affiliates, the initial public offering price of the stock may not be higher than that recommended by a "qualified independent underwriter" meeting certain standards. Accordingly, Bear, Stearns & Co. Inc. is assuming the responsibilities of acting as the qualified independent underwriter in pricing the offering and conducting due diligence. The initial public offering price of the Class A Common Stock set forth on the cover page of this Prospectus is no higher than the price recommended by Bear, Stearns & Co. Inc.

The Representatives, on behalf of the Underwriters, may engage in over-allotment, stabilizing transactions, syndicate covering transactions, penalty bids and "passive" market making in accordance with Regulation M under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Over-allotment involves syndicate sales in excess of the offering size, which creates a syndicate short position. Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum. Syndicate covering transactions involve purchases of the Class A Common Stock in the open market after the distribution has been completed in order to cover syndicate short positions. Penalty bids permit the Representatives to reclaim a selling concession from a syndicate member when the Class A Common Stock originally sold by such syndicate member are purchased in a syndicate covering transaction to cover syndicate short positions. In "passive" market making, market makers in the Class A Common Stock who are Underwriters or prospective underwriters may, subject to certain limitations, make bids for or purchases of the Class A Common Stock until the time, if any, at which a stabilizing bid is made. Such stabilizing transactions, syndicate covering transactions and penalty bids may cause the price of the Securities to be higher than it would otherwise be in the absence of such transactions. These transactions may be effected on the New York Stock Exchange or otherwise and, if commenced, may be discontinued at any time.

The Class A Common Stock is traded on the New York Stock Exchange under the symbol "AMT".

NOTICE TO CANADIAN RESIDENTS

RESALE RESTRICTIONS

The distribution of the Class A Common Stock in Canada is being made only on a private placement basis exempt from the requirement that ATS and the Selling Stockholders prepare and file a prospectus with the securities, regulatory authorities in each province where trades of the Class A Common Stock are effected. Accordingly, any resale of the Class A Common Stock in Canada must be made in accordance with applicable

securities laws which will vary depending on the relevant jurisdiction, and which may require resales to be made in accordance with available statutory exemptions or pursuant to a discretionary exemption granted by the applicable Canadian securities regulatory authority. Purchasers are advised to seek legal advice prior to any resale of the Class A Common Stock.

REPRESENTATIONS OF PURCHASERS

Each purchaser of the Class A Common Stock in Canada who receives a purchase confirmation will be deemed to represent to ATS, the Selling Stockholders and the dealer from whom such purchase confirmation is received that (i) such purchaser is entitled under applicable provincial securities laws to purchase each Class A Common Stock without the benefit of a prospectus qualified under such securities laws, (ii) where required by law, that such purchaser is purchasing as principal and not as agent, and (iii) such purchaser has reviewed the text above under "Resale Restrictions".

RIGHTS OF ACTION (ONTARIO PURCHASERS)

The securities being offered are those of a foreign issuer and Ontario purchasers will not receive the contractual right of action prescribed by section 32 of the Regulation under the Securities Act (Ontario). As a result, Ontario purchasers must rely on other remedies that may be available, including common law rights of action for damages or rescission or rights of action under the civil liability provisions of the U.S. federal securities laws.

ENFORCEMENT OF LEGAL RIGHTS

All of the issuer's directors and officers as well as the experts named herein and the Selling Stockholders may be located outside of Canada and, as a result, it may not be possible for Canadian purchasers to effect service of process within Canada upon the issuer or such persons. All or a substantial portion of the assets of the issuer and such persons may be located outside of Canada and, as a result, it may not be possible to satisfy a judgment against the issuer or such persons in Canada or to enforce a judgment obtained in Canadian courts against such issuer or persons outside of Canada.

NOTICE TO BRITISH COLUMBIA RESIDENTS

A purchaser of the Class A Common Stock to whom the Securities Act (British Columbia) applies is advised that such purchaser is required to file with the British Columbia Securities Commission a report within ten days of the sale of any Class A Common Stock acquired by such purchaser pursuant to this offering. Such report must be in the form attached to British Columbia Securities Commission Blanket Order BOR #95/17, a copy of which may be obtained from ATS. Only one such report must be filed in respect of the Class A Common Stock acquired on the same date and under the same prospectus exemption.

TAXATION AND ELIGIBILITY FOR INVESTMENT

Canadian purchasers of Class A Common Stock should consult their own legal and tax advisors with respect to the tax consequences of an investment in the Class A Common Stock in their particular circumstances and with respect to the eligibility of the Class A Common Stock for investment by the purchaser under relevant Canadian Legislation.

VALIDITY OF THE SHARES

The validity of the shares of Class A Common Stock offered hereby will be passed upon for ATS by Sullivan & Worcester LLP, Boston, Massachusetts, and for the Underwriters by Sullivan & Cromwell, New York, New York. Norman A. Bikales, a member of the firm of Sullivan & Worcester LLP, owns 9,000 shares of Class A Common Stock and 41,490 shares of Class B Common Stock and has an option to purchase 20,000 shares of Class A Common Stock at \$10.00 per share. Mr. Bikales and/or associates of that firm serve as secretary or assistant secretaries of ATS and certain of its subsidiaries.

EXPERTS

The following financial statements included in this Prospectus and the related financial statement schedules included elsewhere in the Registration Statement have been audited by Deloitte & Touche LLP, independent auditors, as stated in their reports, which are included herein, and have been so included herein in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing:

(1) The consolidated financial statements and related financial statement schedules of American Tower Systems Corporation as of December 31, 1997 and 1996, for the years ended December 31, 1997 and 1996, and for the period July 17, 1995 (Incorporation) to December 31, 1995;

(2) The combined financial statements of Meridian Communications as of December 31, 1995 and 1996 and for each of the two years then ended;

(3) The financial statements of Diablo Communications, Inc. as of December 31, 1995 and 1996 and for each of the two years then ended;

(4) The financial statements of Gearon & Co., Inc as of December 31, 1996 and 1997 and for each of the two years then ended; and

(5) The financial statements of OPM-USA-INC. as of December 31, 1996 and 1997 and for each of the two years then ended.

The combined financial statements of net assets of MicroNet, Inc. and Affiliates sold to ATS as of December 31, 1996 and October 31, 1997 and for the year then ended December 31, 1996 and the ten months ended October 31, 1997 have been audited by Pressman Ciocca Smith LLP, independent certified public accountants, as stated in their report appearing in this Prospectus and have been so included in reliance upon the report of such firm as experts in accounting and auditing.

The financial statements of Diablo Communications of Southern California, Inc. for the years ended December 31, 1996 and 1997 and for the year ended December 31, 1997 and for the period September 1, 1995 (inception) to December 31, 1996 have been audited by Rooney, Ida, Nolt & Ahern, independent auditors, as stated in their report appearing in this Prospectus and have been so included in reliance upon the report of such firm as experts.

The financial statements of Tucson Communications Company at December 31, 1997 and 1996, and for the years 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.

The consolidated financial statements of American Tower Corporation and subsidiaries as of December 31, 1997 and 1996, and for each of the years in the three year period ended December 31, 1997, have been included in this Prospectus and Registration Statement in reliance upon the report of KPMG Peat Marwick LLP, independent certified public accountants appearing herein, and upon the authority of such firm as experts in accounting and auditing.

AVAILABLE INFORMATION

American Tower Systems has filed with the Commission a Registration Statement on Form S-1 (the "Registration Statement") under the Securities Act with respect to the Class A Common Stock to be offered hereby. This Prospectus does not contain all of the information set forth in the Registration Statement and the exhibits and schedules thereto. For further information with respect to American Tower Systems and the securities offered hereby, reference is made to the Registration Statement and the exhibits and schedules filed therewith. Statements contained in this Prospectus as to the contents of any contract or any other document to which reference is made are not necessarily complete, and in each instance reference is made to the copy of such contract or other document filed as an exhibit to the Registration Statement, each such statement being qualified in all respects by such reference. The Registration Statement can be inspected without charge and copied at the prescribed rates at the public reference facilities maintained by the Commission at 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549, at the Commission's Regional Offices at Seven World Trade Center, 13th Floor, New York, New York 10048, and Citicorp Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661. The Commission maintains a Web site; the address of such site is <http://www.sec.gov>.

ATS is subject to the informational requirements of the Exchange Act and in accordance therewith files reports, proxy statements and other information with the Commission. Such reports, proxy statements and other information filed by the Company can be inspected and copied at the public reference facilities maintained by the Commission at 450 Fifth Street, N.W., Room 1024, Judiciary Plaza, Washington, D.C. 20549, and at the Commission's Regional Offices at Citicorp Center, 500 West Madison, Suite 1400, Chicago, Illinois 60661 and 7 World Trade Center, Suite 1300, New York, New York 10048. Copies of such material can be obtained from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Room 1024, Judiciary Plaza, Washington, D.C. 20549, at prescribed rates. The Company's Class A Common Stock is listed on the New York Stock Exchange, and such reports, proxy statements and certain other information can also be inspected at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of American Tower Systems Corporation:

We have audited the accompanying consolidated balance sheets of American Tower Systems Corporation and subsidiaries (the "Company"), a wholly owned subsidiary of American Radio Systems Corporation, as of December 31, 1997 and 1996 and the related consolidated statements of operations, stockholder's equity and cash flows for the years ended December 31, 1997 and 1996 and the period from July 17, 1995 (Incorporation) to December 31, 1995. 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 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, such consolidated financial statements present fairly, in all material respects, the consolidated financial position of the companies as of December 31, 1997 and 1996, and the results of their operations and their cash flows for the years ended December 31, 1997 and 1996 and the period from Incorporation to December 31, 1995 in conformity with generally accepted accounting principles.

/s/ Deloitte & Touche LLP

Deloitte & Touche LLP
Boston, Massachusetts
March 6, 1998 (except for
the sixth paragraph of Note
1 and the second paragraph
of Note 4, as to which the
dates are March 27, 1998)

AMERICAN TOWER SYSTEMS CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	DECEMBER 31,		MARCH 31, 1998
	1996	1997	(UNAUDITED)
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents.....	\$ 2,373,360	\$ 4,595,500	\$ 6,799,598
Accounts receivable, net of allowance for doubtful accounts of \$47,000, \$125,000 and \$355,000 in 1996, 1997 and 1998, respectively.....	236,990	3,238,877	5,742,112
Unbilled receivables.....			3,028,378
Prepaid and other current assets...	79,657	789,677	1,336,825
Deferred income taxes.....		62,560	62,560
Total current assets.....	2,690,007	8,686,614	16,969,473
PROPERTY AND EQUIPMENT, net.....	19,709,523	117,617,776	156,827,010
UNALLOCATED PURCHASE PRICE, net.....	12,954,959	108,192,255	221,532,005
OTHER INTANGIBLE ASSETS, net.....	1,336,361	8,424,406	7,656,737
INVESTMENT IN AFFILIATE.....	325,000	310,305	310,208
NOTES RECEIVABLE.....		10,700,000	1,000,000
INTEREST RECEIVABLE--STOCKHOLDER NOTES RECEIVABLE.....			674,277
DEPOSITS AND OTHER LONG-TERM ASSETS..	101,803	1,424,540	4,771,462
DEFERRED INCOME TAXES.....			123,272,646
TOTAL.....	\$37,117,653	\$255,355,896	\$533,013,818
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Current portion of long-term debt..	\$ 117,362	\$ 110,391	\$ 112,409
Accounts payable.....	1,058,822	3,738,230	2,581,420
Accrued expenses.....	715,322	4,492,064	9,417,069
Accrued interest.....		913,624	2,148,666
Unearned income.....	252,789	1,752,248	2,556,715
Due to Parent (tax liability).....			125,210,000
Total current liabilities.....	2,144,295	11,006,557	142,026,279
LONG-TERM DEBT.....	4,417,896	90,066,269	157,037,420
DEFERRED INCOME TAXES.....	279,218	417,628	
OTHER LONG-TERM LIABILITIES.....	18,950	32,750	32,550
Total long-term liabilities.....	4,716,064	90,516,647	157,069,970
MINORITY INTEREST IN SUBSIDIARIES....	528,928	625,652	600,240
COMMITMENTS AND CONTINGENCIES (Note 5)			
STOCKHOLDERS' EQUITY:			
Preferred Stock; \$.01 par value; 20,000,000 shares authorized; no shares issued or outstanding.....			
Common Stock; \$.01 par value; 10,000,000 shares authorized; 3,000 shares issued and outstanding in 1996.....	30		
Class A Common Stock; \$.01 par value; 200,000,000 shares authorized; 29,667,883 and 36,351,266 shares issued and outstanding, respectively.....		296,679	363,513
Class B Common Stock; \$.01 par value; 50,000,000 shares authorized; 4,670,626 and 9,320,576 shares issued and outstanding, respectively.....		46,706	93,206
Class C Common Stock; \$.01 par value; 10,000,000 shares authorized; 1,295,518 and 3,295,518 shares issued and outstanding, respectively.....		12,955	32,955
Notes receivable, due from stockholders.....			(49,375,000)
Additional paid-in capital.....	30,318,420	155,710,741	286,589,686
Accumulated deficit.....	(590,084)	(2,860,041)	(4,387,031)
Total stockholders' equity.....	29,728,366	153,207,040	233,317,329
TOTAL.....	\$37,117,653	\$255,355,896	\$533,013,818

See notes to consolidated financial statements.

AMERICAN TOWER SYSTEMS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

	PERIOD FROM JULY 17, 1995 (INCORPORATION) TO DECEMBER 31,	PERIOD ENDED DECEMBER 31,	THREE MONTHS ENDED MARCH 31,		
	1995	1996	1997	1997 (UNAUDITED)	1998 (UNAUDITED)
REVENUES:					
Tower rental and management (see Note 6 for related party revenue).....	\$ 162,933	\$2,893,633	\$13,223,093	\$1,364,751	\$ 9,492,616
Site acquisition services.....			2,122,547		5,275,021
Video, voice and data transmission.....			2,083,756		3,142,184
Other.....	186	3,245	79,071	918	15,367
	-----	-----	-----	-----	-----
Total operating revenues.....	163,119	2,896,878	17,508,467	1,365,669	17,925,188
	-----	-----	-----	-----	-----
OPERATING EXPENSES:					
Operating expenses excluding depreciation and amortization and corporate general and administrative expenses:					
Tower rental and management.....	59,417	1,362,284	6,080,273	537,535	4,899,329
Site acquisition service.....			1,360,217		4,543,579
Video, voice and data transmission.....			1,272,682		2,051,587
Depreciation and amortization.....	57,428	989,936	6,326,323	504,024	5,802,052
Corporate general and administrative expense.....	230,109	830,248	1,536,263	280,097	541,220
	-----	-----	-----	-----	-----
Total operating expenses.....	346,954	3,182,468	16,575,758	1,321,656	17,837,767
	-----	-----	-----	-----	-----
INCOME (LOSS) FROM OPERATIONS.....	(183,835)	(285,590)	932,709	44,013	87,421
	-----	-----	-----	-----	-----
OTHER INCOME (EXPENSE):					
Interest expense.....			(3,039,235)	(95,504)	(2,430,202)
Interest income and other, net.....		36,204	235,023	24,872	864,946
Minority interest in net earnings (loss) of subsidiaries.....		(184,897)	(177,313)	(80,374)	(79,379)
	-----	-----	-----	-----	-----
TOTAL OTHER EXPENSE.....		(148,693)	(2,981,525)	(151,006)	(1,644,635)
	-----	-----	-----	-----	-----
LOSS BEFORE BENEFIT (PROVISION) FOR INCOME TAXES AND EXTRAORDINARY LOSS	(183,835)	(434,283)	(2,048,816)	(106,993)	(1,557,214)
BENEFIT (PROVISION) FOR INCOME TAXES.....	73,424	(45,390)	472,671	49,039	30,224
	-----	-----	-----	-----	-----
LOSS BEFORE EXTRAORDINARY LOSS.....	(110,411)	(479,673)	(1,576,145)	(57,954)	(1,526,990)
EXTRAORDINARY LOSS ON EXTINGUISHMENT OF DEBT, NET OF INCOME TAX BENEFIT OF \$462,500.....			(693,812)		
	-----	-----	-----	-----	-----
NET LOSS.....	\$ (110,411)	\$ (479,673)	\$ (2,269,957)	\$ (57,954)	\$ (1,526,990)
	=====	=====	=====	=====	=====
BASIC AND DILUTED PRO FORMA PER COMMON SHARE AMOUNTS:					
Loss before extraordinary loss....			\$ (0.03)		\$ (0.03)
Extraordinary loss....			(0.01)		
			-----		-----
Net loss.....			\$ (0.05)		\$ (0.03)
			=====		=====
PRO FORMA BASIC AND DILUTED COMMON SHARES OUTSTANDING.....			48,691,790		48,967,360
			=====		=====

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

Issuance of common stock to parent.....

Contributions from parent:

 Cash.....

 Non-cash.....

Cash transfers to parent.....

Net loss.....

DER 31, 1993:.....
Issuance of
common stock to
parent.....

Contributions
from parent:

Cash.....	
Non-cash.....	

Transfers to parent:

Cash.....	
Non-cash.....	

BALANCE, DECEMBER 31, 1996.....

Contributions
from parent:

Cash	
Non-cash	

Transfers to parent:

Cash.....	
Non-cash.....	

Non-cash.....
Recapitalization
(Note 8).....

(Note 8).....
Net loss.....

BALANCE, DECEMBER 31, 1997.....

Contributions
from parent:

Cash	
Non-cash	

Cash transfers to
parent:.....

Issuance of common stock, net of

issuance costs of
\$601,762

Issuance of Class
A Common Stock

A Common Stock for Gearon Merger

Net loss.....

BALANCE, MARCH
31, 1998 (Unau-

31, 1998 (Unaudited).....

Issuance of com-

Issuance of common stock to parent

Contributions
from parent:

From parent:

Cash.....	
Non-cash	

Non-cash.....
Cash transfers to

parent.....	(179,426)		(179,426)
Net loss.....		\$ (110,411)	(110,411)

BALANCE, DECEMBER 31, 1995.....	3,879,234	(110,411)	3,768,823
Issuance of common stock to parent.....	(30)		
Contributions from parent:			
Cash.....	2,548,557		2,548,557
Non-cash.....	29,856,885		29,856,885
Transfers to parent:			
Cash.....	(4,866,226)		(4,866,226)
Non-cash.....	(1,100,000)		(1,100,000)
Net loss.....		(479,673)	(479,673)

BALANCE, DECEMBER 31, 1996.....	30,318,420	(590,084)	29,728,366
Contributions from parent:			
Cash.....	143,073,631		143,073,631
Non-cash.....	50,000		50,000
Transfers to parent:			
Cash.....	(16,650,000)		(16,650,000)
Non-cash.....	(725,000)		(725,000)
Recapitalization (Note 8).....	(356,310)		
Net loss.....		(2,269,957)	(2,269,957)

BALANCE, DECEMBER 31, 1997.....	155,710,741	(2,860,041)	153,207,040
=====			
Contributions from parent:			
Cash.....	28,684,995		28,684,995
Non-cash.....	4,729,047		4,729,047
Cash transfers to parent:.....	(29,800,000)		(29,800,000)
Issuance of common stock, net of issuance costs of \$601,762	79,318,236		30,023,237
Issuance of Class A Common Stock for Gearon Merger	47,946,667		48,000,000
Net loss.....		(1,526,990)	(1,526,990)

BALANCE, MARCH 31, 1998 (Unaudited).....	\$286,589,686	\$(4,387,031)	\$233,317,329
=====			

See notes to consolidated financial statements.

AMERICAN TOWER SYSTEMS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	PERIOD FROM JULY 17, 1995 (INCORPORATION) TO DECEMBER 31, 1995	YEAR ENDED DECEMBER 31,		THREE MONTHS ENDED MARCH 31,	
	1995	1996	1997	1997 (UNAUDITED)	1998 (UNAUDITED)
CASH FLOWS FROM					
OPERATING ACTIVITIES:					
Net loss.....	\$ (110,411)	\$ (479,673)	\$ (2,269,957)	\$ (57,954)	\$ (1,526,990)
Adjustments to reconcile net loss to cash provided by (used in) operating activities:					
Depreciation and amortization.....	57,428	989,936	6,326,323	504,024	5,802,052
Minority interest in net earnings of subsidiaries.....		184,897	177,313	80,374	79,379
Amortization of deferred financing costs.....			187,910	39,589	81,268
Provision for losses on accounts receivable.....		47,044	124,350	9,000	109,478
Extraordinary loss, net.....			693,812		
Deferred income taxes.....		108,715	146,529	(173,851)	(30,274)
Changes in assets and liabilities, net of acquisitions:					
Accounts receivable.....	(37,167)	(246,867)	(3,155,831)	(52,178)	(2,620,972)
Unbilled receivables.....					(3,028,378)
Prepaid and other current assets.....	(54,499)	(226,814)	158,897	72,631	(212,809)
Accounts payable and accrued expenses...	93,860	1,580,284	5,096,378	(169,015)	(1,426,686)
Accrued interest....			913,624		1,235,042
Unearned income....		252,789	1,499,459	(36,353)	(198,073)
Other long-term liabilities.....		18,950	13,800		(200)
Cash provided by (used in) operating activities.....	(50,789)	2,229,261	9,912,607	216,267	(1,737,163)
CASH FLOWS FROM					
INVESTING ACTIVITIES:					
Payments for purchase of property and equipment and construction.....			(20,614,412)	(3,086,725)	(12,690,475)
Payments for acquisitions.....			(184,075,851)		(71,068,578)
Advances of notes receivable.....			(10,961,416)		(6,000,000)
Repayment of notes receivable.....					2,000,000
Deposits and other long-term assets.....			(1,131,247)	(259,332)	(4,076,296)
Cash used for investing activities.....			(216,782,926)	(3,346,057)	(91,835,349)
CASH FLOWS FROM					
FINANCING ACTIVITIES:					
Borrowings under credit facility.....		2,500,000	151,000,000		67,000,000
Repayment of credit facility.....			(65,000,000)		
Borrowings under other notes payable.....		231,115			
Repayments of other notes payable.....		(106,697)	(358,598)	(28,521)	(26,831)
Net proceeds from private placement equity offering.....					30,023,237
Contributions from Parent.....	242,215	2,548,557	143,073,631	2,543,171	28,684,995
Cash transfers to Parent.....	(179,426)	(4,866,226)	(16,650,000)		(29,800,000)

Distributions to minority interest....		(174,650)	(419,160)	(104,790)	(104,791)
Additions to deferred financing costs.....			(2,553,414)		
	-----	-----	-----	-----	-----
Cash provided by financing activities.....	62,789	132,099	209,092,459	2,409,860	95,776,610
	-----	-----	-----	-----	-----
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....	12,000	2,361,360	2,222,140	(719,930)	2,204,098
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD.....		12,000	2,373,360	2,373,360	4,595,500
	-----	-----	-----	-----	-----
CASH AND CASH EQUIVALENTS, END OF PERIOD.....	\$ 12,000	\$ 2,373,360	\$ 4,595,500	\$ 1,653,430	\$ 6,799,598
	=====	=====	=====	=====	=====

See notes to consolidated financial statements.

AMERICAN TOWER SYSTEMS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(INFORMATION FOR THE THREE MONTHS ENDED MARCH 31, 1997 AND 1998 IS UNAUDITED)

1. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business and Corporate Structure--American Tower Systems Corporation and subsidiaries (collectively, ATS or the Company) is a majority owned subsidiary of American Radio Systems Corporation (ARS, American Radio or the Parent). American Tower Systems (Delaware), Inc. (ATSI) is a wholly-owned subsidiary of ATS and one of the two operating subsidiaries of ATS. American Tower systems, L.P. (ATSLP), is an indirect wholly-owned subsidiary of ATS, which conducts all of the business of ATS other than that conducted by ATSI. ATSI and ATSLP are collectively referred to as the Operating Subsidiaries.

The Company was incorporated on July 17, 1995 (Incorporation) for the purpose of acquiring, developing, marketing, managing and operating wireless communications tower sites throughout the United States, for use by wireless communications providers and television and radio broadcasters.

ATS's primary business is the leasing of antennae sites on multi-tenant towers for a diverse range of wireless communications industries, including personal communications services (PCS), cellular, paging, specialized mobile radio, enhanced specialized mobile radio (ESMR) and fixed microwave, as well as radio and television broadcasters. ATS also offers its customers a broad range of network development services, including network design, site acquisition, zoning and other regulatory approvals, site construction and antennae installation. ATS intends to expand these services and to capitalize on its relationships with its wireless customers through major built to suit construction projects. ATS is also engaged in the video, voice and data transmission business, which it currently conducts in the New York City to Washington, D.C. corridor and in Texas.

As of December 31, 1997, the Company owned and/or operated approximately 670 wireless communication sites, principally in the Northeast and Mid-Atlantic regions, Florida and California. As of March 31, 1998, the Company owned and/or operated approximately 880 wireless communication sites.

Interim Financial Information--The unaudited financial statements for the three months ended March 31, 1997 and 1998 are presented for comparative purposes only and have been prepared on a basis substantially consistent with that of the audited financial statements included herein. In the opinion of management, such unaudited financial statements include all adjustments, which are of a normal and recurring nature, considered necessary for a fair presentation. Operating results for the three-month periods ended March 31, 1997 and 1998 are not necessarily indicative of the results that may be expected for a full year.

CBS Merger--In September 1997, American Radio entered into a merger agreement as amended and restated in December 1997, as amended (the CBS Merger Agreement) pursuant to which a subsidiary of CBS will be merged (the CBS Merger) into American Radio. As a consequence of the consummation of the CBS Merger, all of the shares of ATS owned by ARS will be distributed to ARS common stockholders and holders of options to acquire ARS Common Stock or upon conversion of shares of ARS 7% Convertible Exchangeable Preferred Stock (the Convertible Preferred Stock). As a consequence of the CBS Merger, ATS will cease to be a subsidiary of, or to be otherwise affiliated with, American Radio and will operate as an independent publicly traded company. Pursuant to the provisions of the CBS Merger Agreement, ATS will enter into an agreement (the ARS-ATS Separation Agreement) with CBS and ARS providing for, among other things, the allocation of certain tax liabilities to ATS, certain closing date adjustments relating to ARS, the lease to ARS by ATS of space on certain towers previously owned by ARS and transferred to ATS, the orderly separation of ARS and ATS, and certain indemnification obligations (including with respect to securities law matters) of ATS.

ATS's principal obligation is to reimburse CBS on a "make-whole" (after tax) basis for the tax liabilities to be incurred by ARS in excess of \$20.0 million attributable to the distribution of the Common Stock to the

AMERICAN TOWER SYSTEMS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)
(INFORMATION FOR THE THREE MONTHS ENDED MARCH 31, 1997 AND 1998 IS UNAUDITED)

ARS security holders and certain related transactions. In light of the significant increase in the trading levels of the Class A Common Stock, ATS and CBS have agreed that ARS will treat the distribution on its tax return on a more conservative basis than originally contemplated in order to avoid the possibility of significant interest and penalties for which ATS would be responsible. Based on an estimate of "fair market value" using available information as of March 27, 1998 of \$16.00 per share of ATS common stock, the estimated CBS Merger Tax Liability is approximately \$173.0 million of which approximately \$20.0 million will be borne by ARS and the remaining obligation (approximately \$153.0 million) will be paid by ATS. This estimate will increase or decrease depending on changes in the "fair market value" of ATS common stock between March 27, 1998 and the closing date of the CBS Merger. See Note 12 for recent developments and estimates of such liability as of dates subsequent to March 27, 1998. The estimates described above are based on a number of assumptions and interpretations of various applicable income tax rules and are subject to change.

In connection with an inter-corporate taxable transfer of assets entered into in January 1998 by ATS in contemplation of the separation of ATS and ARS, a portion of the tax with respect to which ATS is obligated to indemnify CBS was incurred. Such transfer resulted in an increase in the tax bases of ATS's assets of approximately \$330.0 million. ATS will have potential depreciation and amortization deductions over the next 15 years of \$22.0 million per year and recorded a deferred tax asset and corresponding liability due to ARS of approximately \$125.0 million to reflect these transactions.

The CBS Merger has been approved by the stockholders of ARS who held sufficient voting power to approve such action. Consummation of the CBS Merger is subject to, among other things, the approval by the Federal Communications Commission (FCC) of the transfer of control of ARS's FCC licenses with respect to its radio stations to CBS. Subject to the satisfaction of such conditions, the CBS Merger is expected to be consummated in the Spring of 1998.

The foregoing is a description of the rights and obligations of ARS and ATS in the event the CBS Merger is consummated. Although the ARS-ATS Separation Agreement will be effective and operational if the merger of a subsidiary of ARS into ARS (the Tower Merger) is consummated, in the event the CBS Merger is not subsequently consummated, ARS and ATS have reserved the right to alter the terms of the agreement to provide for a sharing of the rights and obligations in a manner that may be more or less favorable to ATS. Because ARS and ATS believe that the CBS Merger will be consummated, no determination has been made of what the rights and obligations of ARS and ATS should be in the event it were not.

Principles of Consolidation and Basis of Presentation--The accompanying consolidated financial statements include the accounts of the Company and its subsidiaries. All significant intercompany accounts and transactions have been eliminated. Investments in affiliates, where ATS owns more than 20 percent of the voting power of the affiliate but not in excess of 50 percent, are accounted for using the equity method. Separate financial information regarding equity method investees is not significant. The Company also consolidates its 50.1% interest and its 70.0% interest in two other tower communications limited liability companies, with the other members' investments reflected as minority interest in subsidiaries in the accompanying consolidated financial statements.

Through March 31, 1998, ATS effectively operated as a stand-alone entity, with its own corporate staff and headquarters, and received minimal assistance from personnel of the Parent. Accordingly, the accompanying consolidated financial statements do not include any cost allocations from the Parent. However, the consolidated financial statements may not reflect the results of operations or financial position of ATS had it been an independent public company during the periods presented.

AMERICAN TOWER SYSTEMS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)
(INFORMATION FOR THE THREE MONTHS ENDED MARCH 31, 1997 AND 1998 IS UNAUDITED)

Use of Estimates--The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates, and such differences could be material to the consolidated financial statements.

Revenue Recognition--Tower revenues are recognized when earned. Escalation clauses and other incentives present in tower lease agreements with the Company's customers are recognized on a straight-line basis over the term of the leases. Site acquisition and video, voice and data transmission revenues are recognized as such services are provided. Amounts billed or received prior to services being performed are deferred until such time as the revenue is earned.

Corporate General and Administrative Expense--Corporate general and administrative expense consists of corporate overhead costs not specifically allocable to any of the Company's individual business properties.

Concentration of Credit Risk--The Company extends credit to customers on an unsecured basis in the normal course of business. The Company has policies governing the extension of credit and collection of amounts due from customers.

Derivative Financial Instruments--The Company uses derivative financial instruments as a means of managing interest rate risk associated with current debt or anticipated debt transactions that have a high probability of being executed. The Company's interest rate protection agreements generally consist of interest rate swap agreements and interest rate cap agreements. These instruments are matched with either fixed or variable rate debt, and payments thereon are recorded on a settlement basis as an adjustment to interest expense. Premiums paid to purchase interest rate cap agreements are amortized as an adjustment of interest expense over the life of the contract. Derivative financial instruments are not held for trading purposes. (See Note 4).

Cash and Cash Equivalents--Cash and cash equivalents include cash on hand, demand deposits and short-term investments with remaining maturities when purchased of three months or less.

Property and Equipment and Unallocated Purchase Price--Property and equipment are recorded at cost, or at estimated fair value in the case of acquired properties. Cost includes expenditures for communications sites and related assets and the net amount of interest cost associated with significant capital additions. Approximately \$120,000, \$458,000 and \$319,000 of interest was capitalized for the years ended December 31, 1996 and 1997 and the three months ended March 31, 1998, respectively. No interest was capitalized for the three months ended March 31, 1997. Depreciation is provided using the straight-line method over estimated useful lives ranging from three to fifteen years.

The excess of purchase price over the estimated fair value of net assets acquired has been preliminarily recorded as unallocated purchase price and is being amortized over an estimated aggregate useful life of fifteen years using the straight-line method. Accumulated amortization aggregated approximately \$356,000, \$3,726,000 and \$7,025,000 at December 31, 1996 and 1997 and March 31, 1998, respectively. The consolidated financial statements reflect the preliminary allocation of certain purchase prices as the appraisals for some acquisitions have not yet been finalized. The Company is currently conducting studies to determine the purchase price allocations and expects that upon final allocation, the average estimated useful life will approximate fifteen years. The final allocation of purchase price is not expected to have a material effect on the Company's consolidated results of operations, liquidity or financial position.

AMERICAN TOWER SYSTEMS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)
(INFORMATION FOR THE THREE MONTHS ENDED MARCH 31, 1997 AND 1998 IS UNAUDITED)

Intangible Assets--Intangible assets are being amortized on a straight-line basis over their estimated useful lives, ranging from five to eight years. Other intangible assets consist principally of a noncompetition agreement, deferred financing costs and deferred acquisition costs. Deferred private placement fees were reclassified to additional paid-in capital upon consummation of the ATS Stock Purchase Agreement and Tower Separation fees will be reclassified to additional paid-in capital upon consummation of the related transaction. (See Note 3).

Notes Receivable--In connection with the acquisition of OPM-USA-INC. (OPM) and the acquisition of Gearon & Co. Inc. (Gearon) described in Note 9, the Company entered into certain note agreements prior to consummation of these acquisitions. The Company agreed to advance OPM an amount not to exceed \$37.0 million, of which approximately \$5.7 million (excluding accrued interest) was advanced as of December 31, 1997. The note bore interest at prime rate plus 3%, was unsecured and was settled upon closing of the OPM acquisition.

The Company agreed to advance Gearon an amount not to exceed \$10.0 million prior to closing, of which the maximum amount was advanced. The note bore interest at approximately 7.25%, was unsecured and was settled upon closing of the Gearon acquisition.

Income Taxes--Deferred taxes are provided to reflect temporary differences in basis between book and tax assets and liabilities, and net operating loss carryforwards. Deferred tax assets and liabilities are measured using currently enacted tax rates. The Company provides for income taxes at the end of each interim period based on the estimated effective tax rate for the full fiscal year for each tax reporting corporate entity. Cumulative adjustments to the tax benefit (provision) are recorded in the interim period in which a change in the estimated annual effective rate is determined. Through January 1998, the Company participated in a tax sharing agreement with ARS. The tax sharing agreement was terminated in connection with the corporate restructuring, pursuant to which the Company and its subsidiaries will now prepare and file income tax returns on a separate consolidated basis. Under the tax sharing agreement, there were no significant differences between the tax benefit (provision) recorded and the amounts measured on a separate return basis. (See Note 7).

Pro Forma Loss Per Common Share--Pro forma loss per common share is computed using the number of shares of common stock expected to be outstanding upon consummation of the CBS Merger. These shares include shares issued pursuant to the stock purchase agreement described in Note 8 and the Gearon acquisition described in Note 11 and also includes shares of ATS common stock issuable upon exercise of ARS options (each ARS option in effect represents the right to receive \$44 in cash and one ATS share; such exercise is expected to occur upon closing). Shares issuable upon exercise of ATS and ATSI options have been excluded from the computation as the effect is anti-dilutive. Had ATS and ATSI options been included in the computation, shares for diluted computation would have been increased by approximately 7.0 million.

Impairment of Long-Lived Assets--Recoverability of long-lived assets is determined by periodically comparing the forecasted undiscounted net cash flows of the operations to which the assets relate to the carrying amount, including associated intangible assets of such operations. Through March 31, 1998, no impairments requiring adjustment have occurred.

Stock-Based Compensation--Compensation related to equity grants or awards to employees is measured using the intrinsic value method prescribed by Accounting Principles Board Opinion No. 25. (See Note 8).

AMERICAN TOWER SYSTEMS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)
(INFORMATION FOR THE THREE MONTHS ENDED MARCH 31, 1997 AND 1998 IS UNAUDITED)

Fair Value of Financial Instruments--The Company believes that the carrying value of all financial instruments, excluding the interest rate protection agreements, is a reasonable estimate of fair value as of December 31, 1996 and 1997 and March 31, 1998. The fair value of the interest rate protection agreements are obtained from independent market quotes. These values represent the amount the Company would receive or pay to terminate the agreements taking into consideration current market interest rates. The Company would expect to pay approximately \$97,000 and \$90,000 to settle these agreements at December 31, 1997 and March 31, 1998, respectively. There were no interest rate protection agreements at December 31, 1996. (See Note 4).

Retirement Plan--Employees of the Company are eligible for participation in a 401(k) plan sponsored by ARS, subject to certain minimum age and length-of-employment requirements. Administrative expenses of the plan are borne by ARS and are not significant to ATS. Under the plan, the Company matches 30% of the participants' contributions up to 5% of compensation. The Company contributed approximately \$6,000, \$16,800, \$3,900 and \$2,100 for the years ended December 31, 1996 and 1997 and the three months ended March 31, 1997 and 1998, respectively. The Company's contributions for the period from Incorporation to December 31, 1995 were not material.

Recent Accounting Pronouncements--In June 1997, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (FAS) No. 130, "Reporting Comprehensive Income," which became effective for the Company for periods beginning after December 15, 1997. FAS No. 130 establishes standards for reporting and displaying comprehensive income and its components (revenues, expenses, gains, and losses) in a full set of general purpose financial statements. FAS No. 130 requires that a company (a) classify items of other comprehensive income by their nature in a financial statement and (b) display the accumulated balance of other comprehensive income separately from retained earnings and additional paid-in-capital in the equity section of the balance sheet. Reclassification of financial statements for earlier periods provided for comparative purposes is required. The Company has adopted this statement in the first quarter of 1998. Comprehensive income does not differ from net income.

In June 1997, the FASB released FAS No. 131 "Disclosures about Segments of an Enterprise and Related Information" (FAS 131). FAS 131 establishes standards for the Company for reporting information about the operating segments in its annual report and interim reports. ATS will adopt this standard for its full year 1998 financial information.

In February 1998, the FASB released FAS No. 132, "Employer's Disclosures about Pensions and Other Postretirement Benefits" (FAS 132), which ATS will be required to adopt in 1998. FAS 132 will require additional disclosure concerning changes in ATS's pension obligations and assets and eliminates certain other disclosures no longer considered useful. Adoption of this standard will have no effect on reported consolidated results of operations or financial position.

Reclassifications--Certain reclassifications have been made to the 1995, 1996 and 1997 financial statements to conform with the 1998 presentation.

AMERICAN TOWER SYSTEMS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)
(INFORMATION FOR THE THREE MONTHS ENDED MARCH 31, 1997 AND 1998 IS UNAUDITED)

2. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

	DECEMBER 31,		MARCH 31,
	1996	1997	1998
Land and improvements.....	\$ 4,081,011	\$ 17,955,568	\$ 20,125,743
Buildings and improvements.....		17,731,874	27,018,019
Towers.....	11,473,259	48,315,930	70,508,844
Technical equipment.....	53,124	3,624,239	4,091,430
Transmitter equipment.....	13,550	18,211,996	18,381,479
Office equipment, furniture, fixtures and other equipment.....	317,025	4,076,212	5,400,115
Construction in progress.....	4,276,410	10,641,639	16,840,669
Total.....	20,214,379	120,557,458	162,366,299
Less accumulated depreciation and am- ortization.....	(504,856)	(2,939,682)	(5,539,289)
Property and equipment, net.....	<u>\$19,709,523</u>	<u>\$117,617,776</u>	<u>\$156,827,010</u>

3. OTHER INTANGIBLE ASSETS

Other intangible assets consisted of the following:

	DECEMBER 31,		MARCH 31,
	1996	1997	1998
Non-compete agreement.....		\$5,530,000	\$ 5,530,000
Deferred financing costs.....	\$1,255,474	2,519,312	2,519,312
Deferred acquisition costs.....	93,965	438,238	446,603
Deferred private placement fees.....		546,023	
Other.....		100,923	228,680
Total.....	1,349,439	9,134,496	8,724,595
Less accumulated amortization.....	(13,078)	(710,090)	(1,067,858)
Other intangible assets, net.....	<u>\$1,336,361</u>	<u>\$8,424,406</u>	<u>\$ 7,656,737</u>

4. FINANCING ARRANGEMENTS

Outstanding amounts under the Company's long-term financing arrangements consisted of the following:

	DECEMBER 31,		MARCH 31,
	1996	1997	1998
Loan Agreement.....	\$2,500,000	\$88,500,000	155,500,000
Note payable--other.....	1,557,701	1,466,854	1,442,983
Other obligations.....	477,557	209,806	206,846
Total.....	4,535,258	90,176,660	157,149,829
Less current portion.....	(117,362)	(110,391)	(112,409)
Long-term debt.....	<u>\$4,417,896</u>	<u>\$90,066,269</u>	<u>\$157,037,420</u>

Loan Agreements--In October 1997, ATSI entered into a new loan agreement with a syndicate of banks (the Loan Agreement), which replaced the previously existing credit agreement. All amounts outstanding under the previous agreement were repaid with proceeds from the Loan Agreement. In connection with the inter-

AMERICAN TOWER SYSTEMS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)
(INFORMATION FOR THE THREE MONTHS ENDED MARCH 31, 1997 AND 1998 IS UNAUDITED)

corporate transfer of assets described in Note 1, the Loan Agreement was amended in January 1998 to make the Operating Subsidiaries jointly and severally liable as co-borrowers. The following discussion, with the exception of the information regarding interest rates and availability under the agreements, is based on the terms and conditions of the Loan Agreement. Collectively, the previous loan agreement and the 1997 Loan Agreement (as amended and restated on December 31, 1997, in January 1998 and March 27, 1998) are referred to as the Loan Agreements.

The Loan Agreement provides the Operating Subsidiaries with a \$250.0 million loan commitment based on the maintenance of certain operational ratios, and an additional \$150.0 million loan at the discretion of the Operating Subsidiaries. The Loan Agreement may be borrowed, repaid and reborrowed without reducing the availability until June 2005 except as specified in the Loan Agreement; thereafter, availability decreases in an amount equal to 50% of excess cash flow, as defined in the Loan Agreement, for the fiscal year immediately preceding the calculation date. In addition, the Loan Agreement requires commitment reductions in the event of sale of ATSI's common stock or debt instruments, and/or permitted asset sales, as defined in the Loan Agreement.

Outstanding amounts under the Loan Agreements bear interest at either LIBOR (5.78%, 5.90% and 5.69% as of December 31, 1996 and 1997 and March 31, 1998, respectively) plus 1.0% to 2.25% or Base Rate, as defined in the Loan Agreements, plus 0.00% to 1.00%. The spread over LIBOR and the Base Rate varies from time to time, depending upon ATSI's financial leverage. Under certain circumstances, ATSI may request that rates be fixed or capped. For the years ended December 31, 1996 and 1997 and the three months ended March 31, 1998, the weighted average interest rate of the Loan Agreements was 8.75%, 7.4% and 7.34%, respectively.

There was \$62.5 million, \$32.7 million and \$108.5 million available under the Loan Agreements at December 31, 1996 and 1997 and March 31, 1998, respectively. ATSI pays quarterly commitment fees ranging from .375% to .50%, based on ATSI's financial leverage and the unused portion of the aggregated commitment. Commitment fees paid related to the Loan Agreements aggregated approximately \$24,000, \$416,000 and \$81,000 for the years ended December 31, 1996 and 1997 and the three months ended March 31, 1997, respectively. No commitment fees were paid during the three months ended March 31, 1998.

The Loan Agreement contains certain financial and operational covenants and other restrictions with which ATSI must comply, whether or not any borrowings are outstanding, including among others, maintenance of certain financial ratios, limitations on acquisitions, additional indebtedness and capital expenditures, as well as restrictions on cash distributions unless certain financial tests are met, and the use of borrowings. The obligations of the Operating Subsidiaries under the Loan Agreement are collateralized by a first priority security interest in substantially all of the assets of the Operating Subsidiaries. ATS and its subsidiaries pledged all of the stock and equity interests of all Restricted Subsidiaries (including the Operating Subsidiaries) to the banks as security for the Operating Subsidiaries' obligations under the Loan Agreement. ATS is in the process of negotiating an amended and restated loan agreement with its senior lenders, pursuant to which the Company expects that the existing maximum borrowing will be increased from \$400.0 million to \$900.0 million, subject to compliance with certain financial ratios, and ATS (the Parent) will be able to borrow an additional \$150.0 million. In connection with the refinancing, the Company expects to recognize an extraordinary loss of approximately \$1.4 million, net of a tax benefit of \$0.9 million, during the second quarter of 1998. (See Note 12).

Following the closing of the Loan Agreement in October 1997, ATSI incurred an extraordinary loss of approximately \$1,156,000 (approximately \$694,000 net of the applicable income tax benefit) representing the write-off of deferred financing fees associated with the previous agreement.

See also Note 12 for recent developments.

Derivative Positions--Under the terms of the Loan Agreement, ATSI is required, under certain conditions, to enter into interest rate protection agreements. There were no such agreements outstanding at December 31,

AMERICAN TOWER SYSTEMS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)
(INFORMATION FOR THE THREE MONTHS ENDED MARCH 31, 1997 AND 1998 IS UNAUDITED)

1996. As of December 31, 1997 and March 31, 1998, ATSI maintained a swap agreement, expiring in January 2001, under which the interest rate is fixed with respect to \$7.3 million of notional principal amount at approximately 6.4%. ATSI also maintained two cap agreements; one expiring in July 2000, under which the interest rate is fixed with respect to \$21.6 million of notional principal amount at approximately 9.5%, and one expiring in November 1999, under which the interest rate is fixed with respect to \$7.0 million of notional principal amount at approximately 8.5%. In January 1998, ATS entered into a cap agreement expiring in January 2000, under which the interest rate is fixed with respect to \$21.5 million of notional principal amount at approximately 8.5%. ATSI's exposure under these agreements is limited to the impact of variable interest rate fluctuations and the periodic settlement of amounts due under these agreements if the other parties fail to perform.

Note Payable--Other--A limited liability company, which is under majority control of the Company, has a note secured by the minority shareholder's interest in the limited liability company. Interest rates under this note are determined, at the option of the limited liability company, at either the Floating Rate (as defined in the note agreement) or the Federal Home Loan BankBoston rate plus 2.25%. As of December 31, 1996 and 1997 and March 31, 1998, the effective interest rate on borrowings under this note was 8.02%. The note is payable in equal monthly principal payments with interest through 2006.

Other Obligations--In connection with various acquisitions, the Company assumed certain long-term obligations of the acquired entities. Substantially all of these obligations were repaid during 1997, with the remaining unpaid obligation payable in monthly installments through 2014.

Future principal payments required under the Company's financing arrangements at December 31, 1997 are approximately:

Year Ending:	
1998.....	\$ 110,000
1999.....	119,000
2000.....	128,000
2001.....	137,000
2002.....	148,000
Thereafter.....	89,535,000

Total.....	\$90,177,000
	=====

5. COMMITMENTS AND CONTINGENCIES

Lease Obligations--The Company leases space for its existing offices in Florida, California, Pennsylvania and Virginia, space on various communications towers and land under operating leases that expire over various terms. The Company also subleases space on communications towers under substantially the same terms and conditions, including cancellation rights, as those found in its own lease contracts. Most leases allow cancellation at will or under certain technical circumstances. Many of the leases also contain renewal options with specified increases in lease payments upon exercise of the renewal option.

AMERICAN TOWER SYSTEMS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)
(INFORMATION FOR THE THREE MONTHS ENDED MARCH 31, 1997 AND 1998 IS UNAUDITED)

In connection with the CBS Merger described in Note 1, ATS will assume certain lease obligations with respect to ARS's corporate headquarters in Boston, Massachusetts. Future minimum rental payments under noncancelable leases in effect at December 31, 1997, excluding the assumption of the ARS lease obligations, are approximately as follows:

Year Ending:	
1998.....	\$ 3,996,000
1999.....	3,508,000
2000.....	3,213,000
2001.....	2,706,000
2002.....	1,992,000
Thereafter.....	10,373,000

Total.....	\$25,788,000
	=====

Aggregate rent expense under operating leases for the period ended December 31, 1995, the years ended December 31, 1996 and 1997 and the three months ended March 31, 1997 and 1998 approximated \$5,000, \$420,000, \$2,110,000, \$195,000 and \$1,813,000 respectively.

Customer Leases--The Company leases space on its various tower properties (both owned and managed) to customers which typically are for set periods of time, although some leases are cancelable at the customers' option and others are automatically renewed and have no fixed term. Long-term leases typically contain provisions for renewals and specified rent increases over the lease term.

Future minimum rental receipts expected to be received from customers under noncancelable lease agreements in effect at December 31, 1997 are approximately as follows:

Year Ending:	
1998.....	\$21,017,000
1999.....	16,899,000
2000.....	14,691,000
2001.....	12,369,000
2002.....	8,128,000
Thereafter.....	26,892,000

Total.....	\$99,996,000
	=====

Tower rental revenues under the Company's sub-leases approximated \$468,000, \$978,000, \$195,000 and \$262,000 for the years ended December 31, 1996 and 1997 and the three months ended March 31, 1997 and 1998, respectively.

Acquisition Commitments--See Notes 9 and 11 for information with respect to acquisitions and related commitments.

CBS Merger--(See Notes 1 and 12 for recent developments).

Litigation--The Company periodically becomes involved in various claims and lawsuits that are incidental to its business. In the opinion of management, there are no matters currently pending which would, in the event of an adverse outcome, have a material impact on the Company's consolidated financial position, the results of operations or liquidity.

AMERICAN TOWER SYSTEMS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)
(INFORMATION FOR THE THREE MONTHS ENDED MARCH 31, 1997 AND 1998 IS UNAUDITED)

6. RELATED PARTY TRANSACTIONS

The Company received revenues of approximately \$70,000, \$389,000, \$81,000 and \$326,000 from ARS for tower rentals at Company-owned sites for the years ended December 31, 1996 and 1997 and the three months ended March 31, 1997 and 1998, respectively.

ARS has contributed substantially all of the Company's capitalization and had funded substantially all of the 1996 acquisitions and certain 1997 and 1998 acquisitions described in Note 9.

In January 1998, ARS contributed certain tower sites to the Company (See Note 9).

In January 1998, the Company consummated the transactions contemplated by a stock purchase agreement with certain related parties. (See Note 8).

In December 1997, ARS contributed a tower site and related assets in West Palm Beach, Florida to the Company at ARS's book value, which approximated \$50,000.

In January 1996, ARS contributed a tract of undeveloped land of approximately two acres to the Company. The transfer was recorded at ARS's book value of approximately \$425,000.

In March 1996, ARS contributed approximately 200 acres of undeveloped land to the Company. The transfer was recorded at ARS's book value of approximately \$2.3 million.

In November 1996, the Company transferred a tract of land to ARS. The transfer was recorded at ATS's book value of approximately \$1.1 million.

In December 1996, ARS contributed a tower site and related assets in Peabody, Massachusetts to the Company at ARS's book value, which aggregated approximately \$1.1 million.

In December 1996, ARS contributed a tower site and related assets located in Philadelphia, Pennsylvania, to the Company. These assets were contributed at their initial estimated fair value of approximately \$1.5 million, based on a preliminary appraisal. In June 1997, the fair value of the tower site and related assets was determined to be approximately \$775,000 based on a final independent appraisal. The net book value carried by ATS was adjusted by approximately \$725,000 to reflect the change in estimate. This change in estimate did not have a material effect on the consolidated financial position or the results of operations of ATS.

7. INCOME TAXES

Effective October 15, 1996, the Company entered into a tax sharing agreement with ARS. In accordance with this agreement, the Company's share of the consolidated federal income tax benefit (liability) is calculated as a portion of ARS's consolidated income tax benefit (liability). Any income tax benefit (provision) attributable to the Company is payable to (due from) ARS. The Company's reported provision or benefit is not significantly different from what would have been recorded on a separate return basis. The tax sharing agreement was terminated in connection with the corporate restructuring described in Note 1, pursuant to which the Company will now prepare and file income tax returns on a separate company basis.

AMERICAN TOWER SYSTEMS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)
(INFORMATION FOR THE THREE MONTHS ENDED MARCH 31, 1997 AND 1998 IS UNAUDITED)

The income tax benefit (provision) was comprised of the following:

	PERIOD ENDED DECEMBER 31,		
	1995	1996	1997
Current:			
Federal.....	\$62,503	\$ 53,907	\$ 444,236
State.....	10,921	9,418	174,964
Deferred:			
Federal.....		(92,547)	(125,545)
State.....		(16,168)	(20,984)
Income tax benefit (provision).....	\$73,424	\$(45,390)	\$ 472,671
	=====	=====	=====

A reconciliation between the U.S. statutory rate and the effective rate was as follows for the periods presented:

	PERIOD ENDED DECEMBER 31,		
	1995	1996	1997
Statutory tax rate.....	(34)%	(34)%	(34)%
State taxes, net of federal benefit.....	(6)	(6)	(6)
Nondeductible intangible amortization.....		49	17
Other.....		1	
Effective tax rate.....	(40)%	10 %	(23)%
	===	===	===

Significant components of the Company's deferred tax assets and liabilities were comprised of the following as of December 31:

	1996	1997
Assets:		
Allowances for financial reporting purposes which are currently nondeductible--current.....		\$ 62,560
Net operating loss carryforwards.....	\$ 2,071	
Valuation allowances.....	(2,071)	
Liabilities:		
Property and equipment and intangible assets.....	(168,125)	(417,628)
Partnership investments.....	(77,648)	
Long-term rental agreements.....	(33,445)	
Net deferred tax liabilities.....	\$(279,218)	\$(355,068)
	=====	=====

8. STOCKHOLDERS' EQUITY

Recapitalization--In November 1997, the Company restated its certificate of incorporation to increase the aggregate number of shares of all classes of stock which it is authorized to issue to 280,000,000 shares as follows: 20,000,000 shares of preferred stock \$.01 par value per share, 260,000,000 shares of common stock \$.01 par value per share, of which 200,000,000 is Class A, 50,000,000 is Class B and 10,000,000 is Class C. The Class A and B entitles the holder to one and ten votes, respectively, per share. The Class C is non-voting.

In addition, at that time, the Company effected a recapitalization, pursuant to which each share of the Company's existing common stock was canceled and the Company was recapitalized with 29,667,883 shares of Class A common stock, 4,670,626 shares of Class B common stock and 1,295,518 shares of Class C common stock.

AMERICAN TOWER SYSTEMS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)
(INFORMATION FOR THE THREE MONTHS ENDED MARCH 31, 1997 AND 1998 IS UNAUDITED)

ATS Stock Purchase Agreement--On January 22, 1998, the Company consummated the transactions contemplated by the stock purchase agreement (the ATS Stock Purchase Agreement), dated as of January 8, 1998, with Steven B. Dodge, Chairman of the Board, President and Chief Executive Officer of ARS and ATS, and certain other officers and directors of ARS (or their affiliates or family members or family trusts), pursuant to which those persons purchased 8.0 million shares of ATS Common Stock at a purchase price of \$10.00 per share for an aggregate purchase price of \$80.0 million, including 4.0 million shares by Mr. Dodge for \$40.0 million. Payment of the purchase price was in the form of cash aggregating approximately \$30.6 million and in the form of notes aggregating approximately \$49.4 million due on the earlier of the consummation of the CBS Merger or, in the event the CBS Merger Agreement is terminated, December 31, 2000. The notes bear interest at the six-month London Interbank Rate, as measured from time to time, plus 1.5% per annum, and are secured by shares of ARS Common Stock having a fair market value of not less than 175% of the principal amount of and accrued and unpaid interest on the note. The notes are prepayable at any time at the option of the debtor and will be due and payable, at the option of the Company, in the event of certain defaults as described in the notes.

Stock Option Plans--In November 1997, the Company instituted the 1997 Stock Option Plan, as amended and restated in April 1998, (the Plan) which provides for the granting of options to employees and directors to acquire up to 15,000,000 shares of ATS Class A and Class B Common Stock. The Plan is expected to be amended in connection with the ATC Merger, described in Note 11, to limit future grants to Class A Common Stock. No options were granted under the Plan during 1997. In January 1998, the Company granted 2,911,300 options at an exercise price of \$10 per share to employees and directors of ATS and subsequently granted 1,400,000 options at an exercise price of \$13 per share to employees of an acquired company. (See Note 9).

ATSI also has a stock option plan which provides for the granting of options to employees to acquire up to 1,000,000 shares of the common stock of ATSI, of which options to purchase an aggregate of 682,000 shares have been issued. In addition, approximately 599,000 options to purchase shares of ARS Common Stock held by current and future employees of ATS may be exchanged for ATS options. The ATSI options will be exchanged for ATS options and the ARS options may be exchanged in a manner that will preserve the spread in such options between the option exercise price and the fair market value of the stock subject thereto and the ratio of the spread to the exercise price prior to such conversion. These ARS options are expected to be exchanged, at least in part, into options to acquire stock of ATS, as part of the CBS Merger.

Exercise prices in the case of incentive stock options are not less than the fair value of the underlying common stock on the date of grant. Exercise prices in the case of non-qualified stock options are set at the discretion of the Board of Directors. Options vest ratably over various periods, generally five years, commencing one year from the date of grant. There have been no option grants at exercise prices less than fair value.

The following table summarizes the ATSI option activity for the periods presented:

	EXERCISE PRICE PER SHARE	NUMBER CURRENTLY EXERCISABLE	WEIGHTED AVERAGE REMAINING LIFE (YEARS)
OPTIONS			
Granted during 1996 and outstanding at December 31, 1996.....	550,000	\$5.00	160,000
Granted.....	172,000	\$7.50-\$8.00	8.71
Cancelled.....	(40,000)	\$5.00	9.24
	-----	-----	----
Outstanding as of December 31, 1997.....	682,000	160,000	8.89
	=====	=====	=====

As described in Note 1, the intrinsic value method is used to determine compensation associated with stock option grants. No compensation cost has been recognized to date for grants under the Plan. Had compensation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)
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cost for the Company's stock option plan been determined based on the fair value at the grant date for awards in 1996 and 1997 consistent with the provisions of FAS 123, the Company's net loss would have been approximately \$568,000 and approximately \$2,492,000 for the years ended December 31, 1996 and 1997, respectively. Pro forma basic and diluted net loss per common share would have been approximately \$(0.05) for the year ended December 31, 1997.

The "fair value" of each option grant is estimated on the date of grant using the minimum value method based on the following key assumptions: risk-free interest rate of 6.3% and expected lives of 5 years. In accordance with the provisions of FAS 123, since the Company's stock is not publicly traded, expected volatility in stock price has been omitted in determining the fair value for options granted.

See also Note 12 for recent developments.

9. ACQUISITIONS

1998 Acquisitions

In January 1998, the Company consummated an agreement to acquire all of the outstanding stock of Gearon & Co. Inc. (Gearon), a company based in Atlanta, Georgia, for an aggregate purchase price of approximately \$80.0 million. The purchase price consisted of approximately \$32.0 million in cash and assumed liabilities and the issuance of approximately 5.3 million shares of Class A Common Stock. Gearon is engaged in site acquisition, development, construction and facility management of wireless network communications facilities on behalf of its customers and owned or had under construction approximately 40 tower sites. Following consummation, the Company granted options to acquire up to 1,400,000 shares of Class A Common Stock at an exercise price of \$13.00 to employees at Gearon.

In January 1998, the Company consummated the acquisition of OPM-USA-Inc. (OPM), a company which owned approximately 90 towers at the time acquisition. In addition, OPM is in the process of developing an additional 160 towers that are expected to be constructed during the next 12 to 18 months. The purchase price, which is variable and based on the number of towers completed and the forward cash flow of the completed OPM towers, could aggregate up to \$105.0 million, of which approximately \$21.3 million was paid at the closing. The company had also agreed to provide the financing to OPM to enable it to construct the 160 towers in an aggregate amount not to exceed \$37.0 million (less advances as of consummation aggregating approximately \$5.7 million, excluding accrued interest).

In January 1998, the Company consummated the acquisition of a communications site with six towers in Tuscon, Arizona for approximately \$12.3 million.

In January 1998, the Company consummated the acquisition of a tower near Palm Springs, California for approximately \$0.75 million.

In January 1998, ARS transferred to ATS 14 communications sites currently used by ARS and various third parties (with an ARS net book value of approximately \$4.7 million), and ARS and ATS entered into leases or subleases of space on the transferred towers. Two additional communications sites will be transferred and leases entered into following acquisition by ARS of the sites from third parties.

In February 1998, the Company acquired 11 communications tower sites in northern California for approximately \$11.8 million.

In March 1998, the Company acquired a tower in Sacramento, California for approximately \$1.2 million.

1997 Acquisitions

In December 1997, the Company consummated the acquisition of a tower site in Northern California for approximately \$2.0 million.

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In October 1997, the Company acquired two affiliated entities operating approximately 110 tower sites and a tower site management business located principally in northern California for approximately \$45.0 million. In connection therewith, the Company had also agreed to loan up to \$1.4 million to the sellers on an unsecured basis, of which approximately \$0.26 million had been advanced and was repaid at closing.

In October 1997, the Company acquired tower sites and certain video, voice and data transport operations for approximately \$70.25 million. The acquired business owned or leased approximately 128 tower sites, principally in the Mid-Atlantic region, with the remainder in California and Texas.

In September 1997, the Company acquired nine tower sites in Massachusetts and Rhode Island for approximately \$7.2 million and land in Oklahoma for approximately \$0.6 million.

In August 1997, the Company acquired six tower sites in Connecticut and Rhode Island for approximately \$1.5 million.

In July 1997, the Company, in individual transactions, acquired the following:

- (i) the assets of three affiliated entities which owned and operated approximately fifty towers and a tower site management business in southern California for an aggregate purchase price of approximately \$33.5 million;
- (ii) the assets of one tower site in Washington, D.C. for approximately \$0.9 million;
- (iii) the assets of six tower sites in Pennsylvania for approximately \$0.3 million and
- (iv) the rights to build five tower sites in Maryland for approximately \$0.5 million.

In May 1997, the Company acquired 21 tower sites and a tower site management business in Georgia, North Carolina and South Carolina for approximately \$5.4 million. The agreement also provides for additional payments by the Company if the seller is able to arrange for the purchase or management of tower sites presently owned by an unaffiliated public utility in South Carolina, which payments could aggregate up to approximately \$1.2 million; management believes that it is unlikely that any such arrangement will be entered into.

In May 1997, the Company acquired the assets of two affiliated companies engaged in the site acquisition business in various locations in the United States for approximately \$13.0 million.

In May 1997, the Company and an unaffiliated party formed a limited liability company to own and operate communication towers which will be constructed on over 50 tower sites in northern California. The Company advanced approximately \$0.8 million to this entity and currently owns a 70% interest in the entity, with the remaining 30% owned by an unaffiliated party. The Company is obligated to provide additional financing for the construction of these and any additional towers it may approve; the obligation for such 50 tower sites is estimated to be approximately \$5.3 million. The accounts of the limited liability company are included in the consolidated financial statements with the other party's investment reflected as minority interest in subsidiary.

In May 1997, the Company acquired three tower sites in Massachusetts for approximately \$0.26 million.

1996 Acquisitions

In February 1996, the Company acquired Skyline Communications and Skyline Antenna Management in exchange for an aggregate of 26,989 shares of ARS Class A Common Stock, having a fair value of approximately \$774,000, \$2.2 million in cash, and the assumption of approximately \$300,000 of long-term debt which was paid at closing. Skyline Communications owned eight towers, six of which are in West Virginia and

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the remaining two in northern Virginia. Skyline Antenna Management managed more than 200 antenna sites, primarily in the northeast region of the United States.

In April 1996, the Company acquired BDS Communications, Inc. and BRIDAN Communications Corporation for 257,495 shares of ARS Class A common stock having a fair value of approximately \$7.4 million and \$1.9 million in cash of which approximately \$1.5 million was paid at closing. BDS Communications owned three towers in Pennsylvania and BRIDAN Communications managed or had sublease agreements on approximately forty tower sites located throughout the mid-Atlantic region.

In July 1996, the Company entered into a limited liability company agreement with an unaffiliated party relating to the ownership and operation of a tower site in Needham, Massachusetts, whereby the Company acquired a 50.1% interest in the corporation for approximately \$3.8 million in cash. The accounts of the limited liability company are included in the consolidated financial statements with the other party's investment reflected as minority interest in subsidiary.

In October 1996, the Company acquired the assets of tower sites in Hampton, Virginia and North Stonington, Connecticut for approximately \$1.4 million and \$1.0 million in cash, respectively.

Substantially all of the 1996 acquisitions were consummated by ARS and the net assets were subsequently contributed to the Company.

The acquisitions consummated during 1997 and 1996 have been accounted for by the purchase method of accounting. The purchase price has been preliminarily allocated to the assets acquired, principally intangible and tangible assets, and the liabilities assumed based on their estimated fair values at the date of acquisition. The excess of purchase price over the estimated fair value of the net assets acquired has been recorded as unallocated purchase price. The financial statements reflect the preliminary allocation of certain purchase prices as the appraisals of the assets acquired have not been finalized. The Company does not expect any changes in depreciation and amortization as a result of such appraisals to be material to the consolidated results of operations.

Unaudited Pro Forma Operating Results--The operating results of these acquisitions have been included in the Company's consolidated results of operations from the date of acquisition. The following unaudited pro forma summary presents the consolidated results of operations as if the acquisitions had occurred as of January 1, 1996 after giving effect to certain adjustments, including depreciation and amortization of assets and interest expense on debt incurred to fund the acquisitions. These unaudited pro forma results have been prepared for comparative purposes only and do not purport to be indicative of what would have occurred had the acquisitions been made as of January 1, 1996 or results which may occur in the future.

	YEAR ENDED DECEMBER 31, 1996 -----	YEAR ENDED DECEMBER 31, 1997 -----
Net revenues.....	\$35,601,000	\$44,933,000
Loss before extraordinary loss.....	(21,716,000)	(8,998,000)
Net loss.....	(21,716,000)	(9,692,000)
Basic and diluted pro forma loss per common share.....		(0.20)

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)
(INFORMATION FOR THE THREE MONTHS ENDED MARCH 31, 1997 AND 1998 IS UNAUDITED)

10. SUPPLEMENTAL CASH FLOW INFORMATION

Supplemental cash flow information and noncash investing and financing activities are as follows:

	YEAR ENDED DECEMBER 31, 1996	YEAR ENDED DECEMBER 31, 1997	THREE MONTHS ENDED MARCH 31, 1997	1998
	-----	-----	-----	-----
Supplemental cash flow information:				
Cash paid during the period for interest (including amounts capitalized).....	\$ 90,539	\$2,398,201	\$95,504	\$ 1,433,066
Cash paid during the period for income taxes.....		124,988		19,800
Noncash investing and financing activities:				
Property and equipment transferred from Parent.....	11,103,352	50,000		4,729,047
Property and equipment transferred to Parent.....		(725,000)		
Land transferred to Parent.....	(1,100,000)			
Deferred financing costs paid by Parent.....	1,255,474			
Investment in affiliate paid by Parent.....	325,000			
Issuance of common stock for acquisition.....				48,000,000
Increase in tax basis and due to Parent from corporate restructuring.....				125,210,000
Issuance of notes receivable to stockholders.....				49,375,000
Details of acquisitions financed by Parent:				
Purchase price of net assets acquired.....	20,954,401			
Liabilities assumed.....	(2,219,637)			
Stock issued by Parent.....	(8,153,312)			

Cash paid by Parent.....	10,581,452			
Less: cash acquired.....	(1,600,000)			

Net cash paid by Parent for acquisitions.....	\$ 8,981,452			
	=====			

11. OTHER TRANSACTIONS

Pending Transactions:

In December 1997, the Company entered into a merger agreement with American Tower Corporation (ATC) pursuant to which ATC will merge with and into ATS (the ATC Merger), which will be the surviving corporation. Pursuant to the merger, ATS expects to issue an aggregate of approximately 30.0 million shares of ATS Class A Common Stock (including shares issuable upon exercise of options to acquire ATC Common Stock which will become options to acquire ATS Class A Common Stock). ATC is engaged in the business of acquiring, developing and leasing wireless communications sites to companies using or providing cellular telephone, paging, microwave and specialized mobile radio services. At December 31, 1997, ATC owned and operated approximately 775 communications towers located in 31 states. Consummation of the transaction is subject to, among other things, the expiration or earlier termination of the Hart-Scott Rodino Antitrust Improvements Act of 1976, as amended (HSR Act) waiting period, and is expected to occur in the Spring of 1998. (See Note 12).

In January 1998, the Company entered into an agreement to purchase the assets relating to a telepoint business serving the Washington, D.C. area for a purchase price of approximately \$30.5 million. The facility is located in northern Virginia, inside of the Washington Beltway, on ten acres. Consummation of the transaction is expected to occur in the Spring of 1998. (See Note 12).

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ATS is negotiating certain changes in the ATS/PCS, LLC (formerly Communications Systems Development, LLC) arrangements, including the acquisition by ATS for the 58 communications sites in northern California presently owned by ATS/PCS, LLC in exchange for shares of Class A Common Stock, arrangements with respect to development of communications sites in other locations, a priority return of ATS's construction advances, an increase in the percentage interest of the other member in ATS/PCS, LLC and a management fee to ATS.

ATS is also negotiating an agreement to acquire a company that is in the process of constructing approximately 40 towers in the Tampa, Florida area, of which seven are presently operational. The purchase price will be equal to the excess of (i) ten times the "Current Run Rate Cash Flow" at the time of closing, over (ii) the principal amount of the secured note referred to below. The purchase price will be payable in shares of Class A Common Stock (valued at market prices shortly prior to closing) and, at the election of the seller, cash in an amount not to exceed 49% of the purchase price. "Current Run Rate Cash Flow" means twelve (12) times the excess of net revenues over the direct operating expenses for the month preceding closing. ATS is obligated to advance construction funds to the seller in an aggregate amount not to exceed \$12.0 million in the form of a secured note (guaranteed by the stockholders on a nonrecourse basis and secured by the stock of the seller), of which approximately \$1.0 million was advanced through March 31, 1998. The secured note would be payable in the event a definitive acquisition agreement is not executed or if the acquisition were not consummated. Subject to the negotiation and execution of a definitive agreement and to the satisfaction of certain conditions, including, depending on the circumstances, the expiration or earlier termination of the HSR Act waiting period, the acquisition is expected to be consummated in the Spring of 1999. (See Note 12).

12.EVENTS SUBSEQUENT TO DATE OF INDEPENDENT AUDITORS' REPORT (UNAUDITED)

CBS Merger:

On June 4, 1998, the merger of American Radio and the CBS subsidiary was consummated. As a consequence, American Radio became a subsidiary of CBS and ATS ceased to be a subsidiary of American Radio and became an independent company whose Class A Common Stock is publicly traded.

CBS Merger Tax Liability:

ATS received an appraisal from an independent appraisal firm that the "fair market value" of ARS's stock interest in ATS was equal to \$17.25 per share. Based on such appraisal, ARS paid estimated taxes of approximately \$212.0 million and was reimbursed therefor by ATS. Such taxes gave effect to estimated deductions of approximately \$85.1 million available to ARS as a consequence of the disqualification of ARS incentive stock options pursuant to the CBS Merger. ATS's tax reimbursement obligation would change by approximately \$21.0 million for each \$1.00 change in the "fair market value" of the Common Stock under the tax reporting method to be followed. The last quoted sale price per share of the Class A Common Stock in the when-issued over-the-counter market on June 4, 1998 was \$20.50. Such taxes did not include the taxes payable with respect to the shares of Class A Common Stock deliverable upon conversion of the ARS Convertible Preferred Stock; such taxes will be based on the "fair market value" of the Class A Common Stock at the time of conversion. Based on the closing price of the Class A Common Stock on June 15, 1998 of \$21.875, ATS estimates that its reimbursement obligation with respect to such taxes on ARS Convertible Preferred Stock will be approximately \$12.8 million under the tax reporting method to be followed. As required by the ARS-ATS Separation Agreement, ATS provided CBS with security of \$9.8 million in cash (which may be replaced at ATS's option with a letter of credit reasonably satisfactory to CBS) in connection with the filing of estimated tax returns based on such appraisal. Such appraisal is not, of course, binding on the Internal Revenue Service or other taxing authorities. The estimates described above are based on a number of assumptions and interpretations of various applicable income tax rules and are subject to change.

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ARS has agreed that it will pursue, for the benefit and at the cost of ATS, a refund claim, attributable to the "make whole" provision, estimated at approximately \$40.0 million, based on the appraised "fair market value" and the estimated taxes attributable to conversions of the ARS Convertible Preferred Stock set forth above. Any such refund claims will, in fact, be based on the actual amount of tax paid. In light of existing tax law, there can be no assurance that any such refund claim will be successful.

Closing Date Balance Sheet Adjustments:

The ARS-ATS Separation Agreement provides for closing date balance sheet adjustments based upon the working capital, as defined, and debt levels of ARS. ATS will benefit from or bear the cost of such adjustments. ATS' preliminary estimate of such adjustments is that it will be required to make a payment of not more than \$50.0 million and that, in addition, it will be required to reimburse CBS for the tax consequences of any such payment. The estimated taxes and refund amount stated above include approximately \$33.0 million of taxes attributed to such \$50.0 million adjustment payment. Since the amounts of working capital and debt are dependent upon the uncertainty, among other things, of recent operating results and cash capital contributions, as well as CBS Merger expenses, the ultimate payment will differ from the estimate provided herein and ATS is unable to state definitively what payments will be owed by ATS to CBS.

Interim Financing Agreement:

ATS has entered into a stock purchase agreement with respect to a preferred stock financing (the Interim Financing) which provides for the issuance and sale by ATS of up to \$400.0 million of redeemable preferred stock (the Interim Preferred Stock). On June 4, 1998, ATS sold Interim Preferred Stock with an aggregate liquidation preference of \$300.0 million and used the proceeds to, among other things, finance its obligations to CBS for the tax reimbursement. ATS intends to redeem the Interim Preferred Stock out of the proceeds of this offering.

New Credit Facilities:

In June, 1998, ATS and the Borrower Subsidiaries entered into definitive agreements with respect to the New Credit Facilities. The New Credit Facilities with ATS provide for a \$150.0 million term loan maturing at the earlier of (i) eight and one-half years or (ii) December 31, 2006, amortizing quarterly in an amount equal to 2.5% of the principal amount outstanding at June 30, 2001 at the end of each quarter between such date and June 30, 2006, both inclusive, and the balance in two equal installments on September 30 and December 31, 2006. The ATS New Credit Facility was fully drawn at closing and provides for interest rates determined, at the option of ATS, of either the LIBOR Rate (as to be defined) plus 3.50% or the Base Rate (as to be defined) plus 2.5%. The New Credit Facilities with the Borrower Subsidiaries provide for \$900.0 million credit facilities maturing at the earlier of (a) eight years or (b) June 30, 2006 consisting of the following: (i) a \$250.0 million multiple-draw term loan, (ii) a \$400.0 million reducing revolving credit facility and (iii) a \$250.0 million 364-day revolving credit facility that converts to a term loan facility thereafter. The Borrower Subsidiaries borrowed \$125.0 in the form of a term loan and an additional approximately \$19.0 million under the revolving credit arrangements that was repaid out of the proceeds of the Interim Preferred Stock sale. The interest rate provisions are similar to those in the Loan Agreement, except that the range over the Base Rate is between 0.00% and 1.250% and the range over the LIBOR Rate is between 0.750% and 2.250%. Borrowings under the Borrower Subsidiaries' New Credit Facilities are conditioned upon compliance with certain financial ratios and are required to be repaid, commencing June 30, 2001, in increasing quarterly amounts designed to amortize the loans at maturity. The loans to ATS and the Borrower Subsidiaries are cross-guaranteed and cross-collateralized by substantially all of the assets of the consolidated group. The Borrower Subsidiaries are required to pay quarterly commitment fees equal to 0.375% or 0.250% per annum, depending on their consolidated financial leverage, on

AMERICAN TOWER SYSTEMS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONCLUDED)

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the aggregate unused portion of the aggregate commitment (other than, until take down, the 364-day facility on which it is 0.125% until so taken down). Other provisions of the Borrower Subsidiaries' New Credit Facilities are comparable to the 1997 Loan Agreement, although the financial and other covenants are somewhat more favorable to the Borrower Subsidiaries in certain respects, including an increase of the Total Debt (of the Borrower Subsidiaries and their Restricted Subsidiaries) to Annualized Operating Cash Flow ratio from 6.0:1 to 6.5:1 and the inclusion of a Total Debt (of ATS and its Restricted Subsidiaries) to Annualized Operating Cash Flow ratio of 8.0:1. The New Credit Facility of ATS restricts the payment of cash dividends and other distributions and the redemption, purchase or other acquisition of equity securities. In connection with the repayment of borrowings under the 1997 Loan Agreement out of proceeds of borrowings under the New Credit Facilities, ATS will recognize an extraordinary loss of approximately \$1.4 million, net of a tax benefit of \$0.9 million, during the second quarter of 1998.

Acquisitions:

In May 1998, the Company acquired the assets relating to a teleport business serving the Washington, D.C. area for a purchase price of approximately \$30.5 million.

In June 1998, ATS acquired a broadcasting tower in the Boston, Massachusetts area for 720,000 shares of Class A Common Stock. In connection with such acquisition, ATS issued non-recourse notes in the aggregate principal amount of approximately \$12.0 million that are payable solely to the extent of payments made on a note in equal principal amount received as part of the acquisition.

On June 8, 1998, ATS consummated the ATC Merger and changed its name to American Tower Corporation. Pursuant to the ATC Merger, ATS issued or will issue (upon exercise of all ATC options then outstanding which became ATS options) an aggregate of approximately 30.0 million shares of Class A Common Stock.

In June 1998, ATS acquired two communication sites in California for a purchase price of approximately \$1.7 million.

In June 1998, ATS entered into an agreement with a company that is in the process of constructing approximately 40 towers in the Tampa, Florida area. (See Note 11).

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

MicroNet, Inc. and Affiliates and
American Tower Systems, Inc.

We have audited the accompanying combined statements of net assets of MicroNet, Inc. and affiliates sold to American Tower Systems, Inc. (the "Company") as of December 31, 1996 and October 31, 1997, and the related combined statements of income and cash flows derived from those assets for the year ended December 31, 1996, and the ten months ended October 31, 1997. 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 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, such combined financial statements present fairly, in all material respects, the net assets of MicroNet, Inc. and affiliates sold to American Tower Systems, Inc. as of December 31, 1996 and October 31, 1997, and the results of operations related to those assets, and cash flows generated from those assets for the year ended December 31, 1996, and the ten months ended October 31, 1997, in conformity with generally accepted accounting principles.

The accompanying combined financial statements have been prepared from the separate records maintained by the Company and may not be indicative of the conditions that would have existed or the results of operations had the net assets sold been operated as an unaffiliated company. Certain expenses represent allocations made by the Company's Parent, and, as discussed in Note A, no provision for income taxes has been made in the combined statements of income derived from the net assets sold.

Pressman Ciocca Smith LLP

Hatboro, Pennsylvania
February 26, 1998

MICRONET, INC. AND AFFILIATES

COMBINED STATEMENTS OF NET ASSETS SOLD

DECEMBER 31, 1996 AND OCTOBER 31, 1997

	DECEMBER 31, 1996	OCTOBER 31, 1997
	-----	-----
ASSETS		
Current Assets		
Prepaid expenses.....	\$ 301,942	\$ 465,611
	-----	-----
Total Current Assets.....	301,942	465,611
Property and Equipment.....	39,564,758	40,329,382
Less accumulated depreciation.....	(22,486,975)	(24,513,888)
	-----	-----
	17,077,783	15,815,494
Goodwill, net of amortization.....	4,120,276	3,691,081
Intangible Assets, net of amortization.....	902,227	742,047
Other Assets.....	183,087	70,354
	-----	-----
	\$ 22,585,315	\$ 20,784,587
	=====	=====
LIABILITIES AND NET ASSETS TO BE SOLD		
Current Liabilities		
Customer service prepayments.....	\$ 459,638	\$ 307,961
	-----	-----
Total Current Liabilities.....	459,638	307,961
Commitments and Contingencies		
Net Assets To Be Sold.....	22,125,677	20,476,626
	-----	-----
	\$ 22,585,315	\$ 20,784,587
	=====	=====

See accompanying notes.

MICRONET, INC. AND AFFILIATES

COMBINED STATEMENTS OF INCOME DERIVED FROM NET ASSETS SOLD

YEAR ENDED DECEMBER 31, 1996, AND TEN MONTHS ENDED OCTOBER 31, 1997

	YEAR ENDED DECEMBER 31, 1996	TEN MONTHS ENDED OCTOBER 31, 1997
	-----	-----
Net Revenues.....	\$15,058,305	\$15,103,459
Operating Expenses		
Service.....	5,955,270	5,670,523
Selling and marketing.....	488,857	347,475
General and administrative.....	3,422,581	2,676,978
Depreciation.....	3,199,495	2,034,072
Amortization.....	736,025	591,775
	-----	-----
	13,802,228	11,320,823
	-----	-----
Operating Income.....	1,256,077	3,782,636
Other Income--Net.....	42,904	33,681
	-----	-----
Net Income Derived from Net Assets To Be Sold.....	1,298,981	3,816,317
Net Assets To Be Sold, Beginning of Period.....	22,563,349	22,125,677
Distributions To Parent.....	(1,736,653)	(5,465,368)
	-----	-----
Net Assets To Be Sold, End of Period.....	\$22,125,677	\$20,476,626
	=====	=====

See accompanying notes.

MICRONET, INC. AND AFFILIATES

COMBINED STATEMENTS OF CASH FLOWS DERIVED FROM NET ASSETS SOLD

YEAR ENDED DECEMBER 31, 1996, AND TEN MONTHS ENDED OCTOBER 31, 1997

	YEAR ENDED DECEMBER 31, 1996	TEN MONTHS ENDED OCTOBER 31, 1997
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES		
Income derived from net assets sold.....	\$ 1,298,981	\$3,816,317
Adjustments to reconcile income derived from net assets sold to cash provided by operating activities:		
Depreciation and amortization.....	3,935,520	2,625,847
Loss (gain) on disposal of property and equipment..	(400)	9,062
Write off assets to net realizable value.....	65,313	--
Change in assets and liabilities:		
Prepaid expenses.....	(49,781)	(163,669)
Other assets.....	15,396	112,733
Customer service prepayments.....	149,642	(151,677)
	-----	-----
CASH PROVIDED BY OPERATING ACTIVITIES.....	5,414,671	6,248,613
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment.....	(3,678,418)	(783,845)
Increase in intangible assets.....	--	(2,400)
Proceeds from sale of property and equipment.....	400	3,000
	-----	-----
CASH USED FOR INVESTING ACTIVITIES.....	(3,678,018)	(783,245)
	-----	-----
INCREASE IN CASH AND CASH EQUIVALENTS BEFORE ADJUSTMENT.....	1,736,653	5,465,368
ADJUSTMENT FOR NET ASSETS NOT SOLD.....	(1,736,653)	(5,465,368)
	-----	-----
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....	\$ --	\$ --
	=====	=====

See accompanying notes.

MICRONET, INC. AND AFFILIATES

NOTES TO COMBINED FINANCIAL STATEMENTS

DECEMBER 31, 1996 AND OCTOBER 31, 1997

NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of MicroNet, Inc. and affiliates (the "Company") is presented to assist in understanding its combined financial statements. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the combined financial statements.

Basis of Presentation and Combination

The accompanying combined statements of net assets sold to American Tower Systems, Inc. ("ATS") are intended to present the assets and liabilities of the Company sold to ATS (the "Net Assets") pursuant to an asset purchase agreement between ATS and Suburban Cable TV Co. Inc. ("Suburban") and the income and cash flows derived from such assets and liabilities. MicroNet is a wholly owned subsidiary of Suburban (the "Company's Parent"), which is a wholly owned subsidiary of Lenfest Communications, Inc. ("LCI"). As of July 8, 1997, the Company agreed to sell substantially all of the operating assets of its communication towers, satellite transmission and microwave video and data signal transmission businesses to ATS for approximately \$70.25 million. The accompanying combined statements include 128 operating tower sites of the Company, including 28 tower sites operated by Suburban and other cable TV operating subsidiaries of LCI. The transaction closed as of October 31, 1997.

The combined financial statements include the accounts of MicroNet, Inc. and those of all wholly owned subsidiaries, excluding the assets, liabilities and results of operations of assets not sold to ATS. The combined financial statements also include the assets, liabilities and results of operations of the 28 tower sites included in the sale that are operated by Suburban and other cable TV operating subsidiaries of LCI.

Business Activity and Concentrations of Credit Risk

The Company provides satellite and microwave transmission of video, voice and data communications and tower site rental throughout the United States. The Company grants credit to broadcast and cable networks and cellular and paging companies throughout the nation. Consequently, the Company's ability to collect the amounts due from customers is affected by economic fluctuations in these industries.

Use of Estimates

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

Property and Equipment

Property and equipment are stated at cost. For acquired communication networks and facilities, the purchase price has been allocated to net assets on the basis of appraisal reports issued by an independent appraiser. Depreciation is provided using the accelerated and straight-line methods of depreciation for financial reporting purposes at rates based on estimated useful lives ranging from 3 to 33 years.

Expenditures for renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

NOTES TO COMBINED FINANCIAL STATEMENTS--(CONTINUED)

Capitalization of Costs

All costs properly attributable to capital items, including that portion of employees' compensation allocable to installation, engineering, design, construction and various other capital projects are capitalized.

Goodwill and Intangible Assets

Goodwill and intangible assets acquired in connection with the purchases of communications networks and facilities have been valued at acquisition cost on the basis of the allocation of the purchase price on a fair market value basis to net assets as determined by an independent appraiser. Additions to these assets are stated at cost. Intangible assets consist of FCC licenses, organization costs and covenants not to compete. The intangible assets are being amortized on the straight-line method over their legal or estimated useful lives to a maximum of forty (40) years. Goodwill represents the cost of an acquired partnership interest in excess of amounts allocated to specific assets based on their fair market values. Goodwill is amortized on the straight-line method over ten years. In accordance with Statement of Financial Accounting Standards No. 121 "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of ", the Company assesses on an on-going basis the recoverability of intangible assets based on estimates of future undiscounted cash flows for the applicable business acquired compared to net book value. If the future undiscounted cash flow estimate is less than net book value, net book value is then reduced to the undiscounted cash flow estimate. The Company also evaluates the amortization periods of intangible assets to determine whether events or circumstances warrant revised estimates of useful lives. As of October 31, 1997, management believes that no revisions to the remaining useful lives or writedowns of deferred charges are required.

Revenue Recognition

The Company bills certain customers in advance; however, revenue is recognized as services are provided. Credit risk is managed by discontinuing services to customers who are delinquent.

Income Taxes

The Company, as a participating subsidiary, joins in the filing of a consolidated Federal tax return with LCI. Current and deferred Federal income taxes are allocated among LCI and its consolidated subsidiaries based upon the respective net income (loss) and timing differences of each company. The Company files separate state tax returns. No provision for income taxes has been made in the combined financial statements. Deferred tax assets and liabilities are excluded from net assets sold.

Advertising

The Company follows the policy of charging the costs of advertising to expense as incurred.

Fair Value of Financial Instruments

The Company believes that the carrying value of all financial instruments is a reasonable estimate of fair value at December 31, 1996 and October 31, 1997.

NOTE B--SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

ATS did not assume any debt of the Company. There is no interest expense paid reflected in the accompanying financial statements. The Company did not make any income tax payments to LCI.

In 1996, the Company wrote down \$65,313 of property and equipment to net realizable value. (See Note C).

MICRONET, INC. AND AFFILIATES

NOTES TO COMBINED FINANCIAL STATEMENTS--(CONTINUED)

NOTE C--PROPERTY AND EQUIPMENT

The schedule of property and equipment at December 31, 1996 and October 31, 1997, is as follows:

	DECEMBER 31, 1996	OCTOBER 31, 1997	ESTIMATED USEFUL LIVES IN YEARS
Land.....	\$ 3,027,303	\$ 3,027,303	
Building and improvements.....	1,799,553	1,814,012	15-33
Computer equipment.....	291,002	299,976	5
Furniture, fixtures and office equipment.....	616,678	619,028	7
Tower, head-end equipment and microwave equipment.....	32,289,707	33,025,202	7-15
Land improvements.....	188,195	206,337	7-15
Leasehold improvements.....	278,430	278,430	5-15
Radio equipment.....	9,360	9,360	5-7
Test equipment.....	584,458	588,305	7
Vehicles.....	480,072	461,429	3-5
	<u>\$ 39,564,758</u>	<u>\$ 40,329,382</u>	

During 1996, the Company recognized an impairment loss in connection with a failed project to rebuild a tower. The township denied the Company's request to tear-down and rebuild a larger tower on an existing tower site. Legal and engineering costs associated with the project in the amount of \$65,313, previously capitalized, were written off. This impairment loss is included in general and administrative expenses in the 1996 combined statement of income.

NOTE D--GOODWILL

The excess of the purchase price paid over the acquired net assets has been allocated to goodwill. Accumulated amortization at December 31, 1996 and October 31, 1997, was \$1,030,069 and \$1,459,264, respectively.

NOTE E--INTANGIBLE ASSETS

A schedule of intangible assets and accumulated amortization at December 31, 1996 and October 31, 1997, is as follows:

DESCRIPTION	DECEMBER 31, 1996		
	AMOUNT	ACCUMULATED AMORTIZATION	NET
FCC licenses.....	\$ 326,163	\$ 49,238	\$ 276,925
Organization costs and covenants not to compete.....	1,201,174	575,872	625,302
	<u>\$ 1,527,337</u>	<u>\$ 625,110</u>	<u>\$ 902,227</u>
	=====	=====	=====
DESCRIPTION	OCTOBER 31, 1997		
	AMOUNT	ACCUMULATED AMORTIZATION	NET
FCC licenses.....	\$ 326,163	\$ 56,033	\$ 270,130
Organization costs and covenants not to compete.....	1,203,574	731,657	471,917
	<u>\$ 1,529,737</u>	<u>\$ 787,690</u>	<u>\$ 742,047</u>
	=====	=====	=====

MICRONET, INC. AND AFFILIATES

NOTES TO COMBINED FINANCIAL STATEMENTS--(CONTINUED)

NOTE F--LEASES

The Company leases office space from an individual who is a shareholder, chairman of the board and chief executive officer of LCI. The lease began on May 24, 1990, and is classified as an operating lease. The initial lease term assumed by ATS expires October 31, 1998.

Future minimum lease payments under all non-cancelable operating leases with initial terms of one year or more consisted of the following at October 31, 1997:

YEAR ENDING DECEMBER 31, -----	RELATED PARTY	OTHER
1998.....	\$81,874	\$ 997,956
1999.....	--	833,947
2000.....	--	784,922
2001.....	--	750,748
2002.....	--	548,683
Thereafter.....	--	1,535,365
Total minimum lease payments.....	\$81,874	\$ 5,451,621
	=====	=====

Rental expense for all operating leases, principally head-end land and building facilities, amounted to \$1,149,855 for the year ended December 31, 1996, and \$982,484 for the ten months ended October 31, 1997. In addition, the Company made total payments to the related party for office space of \$81,874 for the year ended December 31, 1996, and \$68,228 for the ten month period ended October 31, 1997.

In addition to fixed rentals, certain leases require payment of maintenance and real estate taxes and contain escalation provisions based on future adjustments in price indices. It is expected that, in the normal course of business, expiring leases will be renewed or replaced by leases on other properties; thus, it is anticipated that future minimum operating lease commitments will not be less than the annualized amount shown for the ten months ended October 31, 1997.

NOTE G--LESSOR OPERATING LEASES

The Company is the lessor of tower and head-end equipment and microwave equipment under operating leases expiring in various years through 2005. Rental income from operating leases amounted to \$5,909,260 for the year ended December 31, 1996, and \$7,624,515 for the ten months ended October 31, 1997.

Following is a summary of property held for lease at December 31, 1996 and October 31, 1997:

	DECEMBER 31, 1996	OCTOBER 31, 1997
	-----	-----
Tower, head-end equipment and microwave equipment.....	\$ 32,289,707	\$ 33,025,202
Less accumulated depreciation.....	(20,271,612)	(22,049,480)
	-----	-----
	\$ 12,018,095	\$ 10,975,722
	=====	=====

MICRONET, INC. AND AFFILIATES

NOTES TO COMBINED FINANCIAL STATEMENTS--(CONTINUED)

Minimum future rentals to be received on non-cancelable leases consisted of the following as of October 31, 1997:

YEAR ENDING OCTOBER 31,

1998.....	\$ 7,778,174
1999.....	5,481,722
2000.....	4,671,884
2001.....	3,327,044
2002.....	831,607
Thereafter.....	299,311

	\$ 22,389,742
	=====

NOTE H--OTHER INCOME

The schedules of other income for the year ended December 31, 1996, and ten months ended October 31, 1997, are as follows:

	YEAR ENDED DECEMBER 31, 1996	TEN MONTHS ENDED OCTOBER 31, 1997
	-----	-----
Interest income.....	\$ 42,504	\$ 42,743
Gain (loss) on disposal of property and equipment.....	400	(9,062)
	-----	-----
	\$ 42,904	\$ 33,681
	=====	=====

NOTE I--EMPLOYEE HEALTH BENEFIT PLAN

As a subsidiary of LCI, the Company participates in the Lenfest Group Employee Health Plan (a trust) in order to provide health insurance for its employees. This trust is organized under Internal Revenue Code Section 501(c)(9)--Voluntary Employee Beneficiary Association (VEBA). Benefits are prefunded by contributions from the Company and all other participating LCI subsidiaries. Insurance expense is recognized as incurred. The Company does not provide postretirement benefits to its employees. Therefore, Statement of Financial Accounting Standards No. 106, "Employers' Accounting for Postretirement Benefits Other than Pensions", does not have an impact on the Company's financial statements.

NOTE J--401(K) PLAN

LCI provides a 401(k) retirement plan to the employees of its subsidiaries. The Company, as an indirect wholly owned subsidiary, is entitled to participate. The Company matches the entire amount contributed by an eligible employee up to 5% of their salary, subject to regulatory limitations. For the year ended December 31, 1996, the Company matched \$112,033 of contributions. For the ten months ended October 31, 1997, the Company matched \$90,616.

NOTE K--RELATED PARTY TRANSACTIONS

The Company does business and generates revenue with subsidiaries of Telecommunications, Inc. ("TCI"), (a stockholder of LCI, through an indirect, wholly owned subsidiary). The amount of revenues generated was \$1,225,000 for the year ended December 31, 1996, and \$1,477,000 for the ten months ended October 31, 1997. An additional \$69,000 received from TCI was included in customer service prepayments as of December 31, 1996 and October 31, 1997.

All services provided to related parties were at standard billing rates.

Certain management services are provided to the Company by Suburban. Such services include legal, tax, treasury, risk management, benefits administration and other support services. Included in selling, general and administrative expenses for the year ended December 31, 1996, and the ten months ended October 31, 1997, were allocated expenses of \$108,000 and \$90,000, respectively, related to these services. Allocated expenses are based on Suburban's estimate of expenses related to the services provided to the Company in relation to those provided to other affiliates of Suburban. Management believes that these allocations were made on a reasonable basis. However, the allocations are not necessarily indicative of the level of expenses that might have been incurred had the Company contracted directly with third parties. Management has not made a study or any attempt to obtain quotes from third parties to determine what the cost of obtaining such services from third parties would have been. The fees and expenses charged by Suburban are subject to change.

The Company entered into a lease agreement with a principal stockholder of LCI (See Note F).

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and
Stockholders of Diablo
Communications, Inc. (A California
S Corporation):

We have audited the accompanying balance sheets of Diablo Communications, Inc. (the "Company"), as of December 31, 1995 and 1996, and the related statements of income, stockholders' equity and cash flows for the years 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 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, such financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 1995 and 1996, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

/s/ Deloitte & Touche LLP

Deloitte & Touche LLP
San Francisco, California
November 4, 1997

DIABLO COMMUNICATIONS, INC.
(A CALIFORNIA S CORPORATION)

BALANCE SHEETS

	DECEMBER 31,		SEPTEMBER 30,
	1995	1996	1997
			(UNAUDITED)
ASSETS			
CURRENT ASSETS:			
Cash.....	\$ 515,896	\$ 708,434	\$ 554,201
Accounts receivable:			
Trade, net of allowance for doubtful accounts of \$10,000 at each date.....	292,971	334,926	398,844
Affiliates.....	440,532	560,813	1,231,952
Prepaid and other current assets.....	242,436	160,678	199,702
Total current assets.....	1,491,835	1,764,851	2,384,699
PROPERTY AND EQUIPMENT, net.....	1,720,423	2,952,926	2,992,593
INVESTMENT IN AFFILIATE.....	4,158	10,053	7,757
DEPOSITS AND OTHER ASSETS.....	224,338	182,984	293,617
TOTAL.....	\$ 3,440,754	\$ 4,910,814	\$5,678,666
	=====	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Accounts payable.....	\$ 191,258	\$ 246,579	\$ 188,624
Accrued expenses.....	164,211	232,691	178,000
Deferred revenue.....	340,556	364,865	250,056
Current portion of long-term debt.....	303,045	420,875	505,129
Total current liabilities.....	999,070	1,265,010	1,121,809
LONG-TERM DEBT.....	925,002	1,786,410	1,732,390
COMMITMENTS AND CONTINGENCIES (Note 4)			
STOCKHOLDERS' EQUITY:			
Common stock, no par value, 10,000,000 shares authorized, 202,000 shares issued and outstanding.....	3,465,242	3,465,242	3,465,242
Accumulated deficit.....	(1,948,560)	(1,605,848)	(640,775)
Total stockholders' equity.....	1,516,682	1,859,394	2,824,467
TOTAL.....	\$ 3,440,754	\$ 4,910,814	\$5,678,666
	=====	=====	=====

See notes to financial statements.

DIABLO COMMUNICATIONS, INC.
(A CALIFORNIA S CORPORATION)

STATEMENTS OF INCOME

	YEARS ENDED DECEMBER 31,		NINE MONTHS ENDED SEPTEMBER 30,	
	1995	1996	1996	1997
	(UNAUDITED)			
REVENUES:				
Tower revenues.....	\$5,925,022	\$6,337,292	\$4,778,569	\$5,878,022
Sublease revenues--related party.....	414,000	365,500	253,500	337,940
Management fees--related par- ty.....	96,968	97,513	70,531	80,621
Insurance proceeds.....	--	213,000	--	--
Total revenues.....	6,435,990	7,013,305	5,102,600	6,296,583
OPERATING EXPENSES:				
General and administrative....	1,229,313	1,414,136	1,036,774	968,071
Depreciation and amortiza- tion.....	283,023	416,883	359,184	359,856
Rent expense.....	1,875,527	2,039,302	1,512,615	1,829,720
Technical.....	1,422,267	1,618,722	1,144,103	1,244,912
Sales and promotional.....	433,443	530,447	393,685	430,846
Total operating expenses....	5,243,573	6,019,490	4,446,361	4,833,405
INCOME FROM OPERATIONS.....	1,192,417	993,815	656,239	1,463,178
OTHER INCOME (EXPENSE), NET.....	(120,388)	(144,257)	(90,335)	133,704
NET INCOME.....	\$1,072,029	\$ 849,558	\$ 565,904	\$1,596,882
	=====	=====	=====	=====

See notes to financial statements.

DIABLO COMMUNICATIONS, INC.
(A CALIFORNIA S CORPORATION)

STATEMENTS OF STOCKHOLDERS' EQUITY

	COMMON STOCK			
	OUTSTANDING SHARES	AMOUNT	ACCUMULATED DEFICIT	TOTAL
BALANCE, DECEMBER 31, 1994....	202,000	\$3,465,242	\$(1,689,475)	\$ 1,775,767
Cash and noncash distributions to stockholders.....			(1,331,114)	(1,331,114)
Net income.....			1,072,029	1,072,029
BALANCE, DECEMBER 31, 1995....	202,000	3,465,242	(1,948,560)	1,516,682
Cash distributions to stock- holders.....			(506,846)	(506,846)
Net income.....			849,558	849,558
BALANCE, DECEMBER 31, 1996....	202,000	3,465,242	(1,605,848)	1,859,394
Cash distributions to stock- holders (unaudited).....			(631,809)	(631,809)
Net income (unaudited).....	--	--	1,596,882	1,596,882
BALANCE, SEPTEMBER 30, 1997 (unaudited).....	202,000	\$3,465,242	\$ (640,775)	\$ 2,824,467
	=====	=====	=====	=====

See notes to financial statements.

DIABLO COMMUNICATIONS, INC.
(A CALIFORNIA S CORPORATION)

STATEMENTS OF CASH FLOWS

	YEARS ENDED DECEMBER 31,		NINE MONTHS ENDED SEPTEMBER 30,	
	1995	1996	1996	1997
	(UNAUDITED)			
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net income.....	\$1,072,029	\$ 849,558	\$ 565,904	\$1,596,882
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization.....	283,023	416,883	359,184	359,856
Changes in assets and liabilities:				
Accounts receivable--trade.....	(163,273)	(30,000)	(213,355)	(63,918)
Accounts receivable--Affiliates.....	(244,175)	(132,236)	(74,543)	(671,139)
Prepaid and other current assets.....	(178,370)	81,758	(16,395)	(39,024)
Deposits and other assets..	(37,181)	22,778	65,703	(108,337)
Accounts payable and accrued expenses.....	115,175	123,801	(265,136)	(112,646)
Deferred revenue.....	67,287	24,309	69,329	(114,809)
Net cash provided by operating activities.....	914,515	1,356,851	490,691	846,865
CASH FLOW FROM INVESTING ACTIVITIES--Purchases of property and equipment.....	(948,781)	(1,636,705)	(1,219,152)	(399,523)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Long-term borrowings.....	500,000	1,250,000	1,250,000	217,075
Repayments of long-term debt.....	(50,469)	(270,762)	(192,775)	(186,841)
Cash distributions to stockholders.....	(880,193)	(506,846)	(362,171)	(631,809)
Net cash provided by (used in) financing activities.....	(430,662)	472,392	695,054	(601,575)
NET INCREASE (DECREASE) IN CASH.....	(464,928)	192,538	(33,407)	(154,233)
CASH, BEGINNING OF PERIOD.....	980,824	515,896	515,896	708,434
CASH, END OF PERIOD.....	\$ 515,896	\$ 708,434	\$ 482,489	\$ 554,201
SUPPLEMENTAL INFORMATION:				
Cash paid for interest.....	\$ 92,384	\$ 140,970	\$ 91,988	\$ 90,335
Noncash distribution to stockholders.....	450,921	--	--	--

See notes to financial statements.

DIABLO COMMUNICATIONS, INC.
(A CALIFORNIA S CORPORATION)

NOTES TO FINANCIAL STATEMENTS
(INFORMATION AS OF AND FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1996 AND 1997
IS UNAUDITED)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business and Corporate Structure--Diablo Communications, Inc. (the "Company") is engaged in acquiring, developing and operating communications towers, for use by radio operators as well as other communication related businesses. As of December 31, 1996, the Company owned and/or operated 81 towers and rooftops throughout Northern California.

Sale of the Company--On October 9, 1997, substantially all of the Company's assets were sold to American Tower Systems, Inc. ("ATS"). ATS also assumed the Company's operating lease agreements and certain of the Company's liabilities on that date. The sale price was approximately \$40,000,000. Subsequent to the sale, the Company changed its name and will pursue other business opportunities as Tyris Corporation.

Use of Estimates--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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from these estimates.

Unaudited Interim Information--The financial information with respect to the nine-month periods ended September 30, 1996 and 1997 is unaudited. In the opinion of management, such information contains all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the results of such periods. The results of operations for the nine months ended September 30, 1997 are not necessarily indicative of the results to be expected for the full year.

Impairment of Long-Lived Assets--In March 1995, the Financial Accounting Standards Board 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 ("FAS 121"). FAS 121 addresses the accounting for the impairment of long-lived assets, certain intangibles and goodwill when events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Company adopted this statement during 1996 and the impact on the Company's results of operations, liquidity or financial position was not material.

Property and Equipment--Property and equipment are recorded at cost. Depreciation is provided using the double-declining method over estimated useful lives ranging from 3 to 15 years.

Investment in Affiliate--The Company owns a 25% interest in New Loma Communications, Inc. which is accounted for using the equity method of accounting.

Revenue Recognition--Tower and sublease revenues are recognized when earned over the lease terms. Management fee revenues are recognized when earned over the terms of the management contracts. Deferred revenue represents advance payments by customers where related revenue is recognized when services are provided.

S Corporation Election--The accompanying financial statements do not include any provision for federal or state income taxes since the Company is treated as a partnership under Subchapter S of the Internal Revenue Code and under similar state income tax provisions. Accordingly, income or loss is allocated to the shareholders and included in their tax returns.

Retirement Plan--Employees of the Company are eligible for participation in a 401-K plan managed by the Company, subject to certain minimum age and length-of-employment requirements. Under the plan, the Company does not match the participants' contributions.

DIABLO COMMUNICATIONS, INC.
(A CALIFORNIA S CORPORATION)

NOTES TO FINANCIAL STATEMENTS--(CONTINUED)
(INFORMATION AS OF AND FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1996 AND 1997
IS UNAUDITED)

2. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

	DECEMBER 31,		SEPTEMBER 30,
	1995	1996	1997
			(UNAUDITED)
Land and improvements.....	\$ 674,574	\$1,017,949	\$1,135,034
Towers.....	533,175	1,342,178	1,543,206
Technical equipment.....	387,451	508,212	510,097
Office equipment, furniture, fixtures and other equipment.....	378,290	478,285	506,172
Construction in progress.....	209,592	473,163	631,241
Total.....	2,183,082	3,819,787	4,325,750
Less accumulated depreciation and am- ortization.....	(462,659)	(866,861)	(1,333,157)
Property and equipment, net.....	\$1,720,423	\$2,952,926	\$2,992,593
	=====	=====	=====

Technical and office equipment include assets under capital leases of \$285,749, \$285,749 and \$288,698 at September 30, 1997, December 31, 1996 and 1995, respectively with related accumulated depreciation of \$223,980, \$199,588 and \$167,065, respectively.

3. LONG-TERM DEBT

Outstanding amounts under the Company's financing arrangements consisted of the following:

	DECEMBER 31,		SEPTEMBER 30,
	1995	1996	1997
			(UNAUDITED)
Advances on bank term loan approved up to \$1,500,000, varying interest rates at 9.44% to 9.85%.....		\$1,250,000	\$1,250,000
Notes payable to banks at interest rates of prime plus 1.5%.....	\$ 858,333	658,333	525,000
Other notes payable to banks.....	212,107	202,302	419,377
Capital lease obligations.....	157,607	96,650	43,142
Total.....	1,228,047	2,207,285	2,237,519
Less scheduled current maturities.....	(303,045)	(420,875)	(505,129)
Long-term debt.....	\$ 925,002	\$1,786,410	\$1,732,390
	=====	=====	=====

In October 1997, the Company's long-term debt was either assumed by ATS or repaid by the Company with proceeds from the sale of assets to ATS (see Note 1--"Sale of the Company").

DIABLO COMMUNICATIONS, INC.
(A CALIFORNIA S CORPORATION)

NOTES TO FINANCIAL STATEMENTS--(CONTINUED)
(INFORMATION AS OF AND FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1996 AND 1997
IS UNAUDITED)

4. COMMITMENTS AND CONTINGENCIES

The Company leases various technical and office equipment under capital leases and certain office space and other real property under noncancelable operating leases. Future minimum lease payments under these operating and capital leases are as follows:

	OPERATING LEASES	CAPITAL LEASES
	-----	-----
Year ending December 31:		
1997.....	\$ 662,260	\$ 73,529
1998.....	613,607	31,161
1999.....	608,642	
2000.....	567,817	
2001.....	510,557	
Thereafter.....	2,808,872	
	-----	-----
Total.....	\$5,771,755	104,690
	=====	
Less interest portion.....		(8,040)

Present value of minimum lease payments.....		\$ 96,650
		=====

5. RELATED PARTY TRANSACTIONS

New Loma Communications, Inc., is a corporation in which the Company owns 25% of the outstanding capital stock.

Drake Industrial Park, Inc. and Diablo Communications of Southern California, Inc. are corporations under common ownership as that of the Company.

During the nine months ended September 30, 1996 and 1997 and the years ended December 31, 1995 and 1996, the Company received income from New Loma Communications, Inc., as follows:

	YEARS ENDED DECEMBER 31,		NINE MONTHS ENDED SEPTEMBER 30,	
	-----	-----	-----	-----
	1995	1996	1996	1997
	-----	-----	-----	-----
	(UNAUDITED)			
Sublease revenues.....	\$414,000	\$365,500	\$253,500	\$337,940
Management services.....	96,968	97,513	70,531	80,621
	-----	-----	-----	-----
Total.....	\$510,968	\$463,013	\$324,031	\$418,561
	=====	=====	=====	=====

The Company had the following accounts receivable from affiliates:

	DECEMBER 31,		SEPTEMBER 30,
	-----	-----	-----
	1995	1996	1997
	-----	-----	-----
	(UNAUDITED)		
Diablo Communications of Southern California, Inc.....	\$391,872	\$517,400	\$1,214,622
New Loma Communications.....	48,660	27,859	176
Drake Industrial Park, Inc.....		15,554	17,154
	-----	-----	-----
Total.....	\$440,532	\$560,813	\$1,231,952
	=====	=====	=====

DIABLO COMMUNICATIONS, INC.
(A CALIFORNIA S CORPORATION)

NOTES TO FINANCIAL STATEMENTS--(CONTINUED)
(INFORMATION AS OF AND FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1996 AND 1997
IS UNAUDITED)

6. SPIN-OFF OF SOUTHERN CALIFORNIA OPERATION--NONCASH DISTRIBUTION TO
STOCKHOLDERS

In order to establish a separate company under which to conduct Southern California business, on September 1, 1995, all of the Company's Southern California communication site leases, customer contracts, affiliated receivables, communication site equipment, vehicles, vehicle obligations, office lease and contracts, and office equipment were distributed to the Company's stockholders at net book value according to their pro rata ownership. The net book value of such distribution was \$450,921.

The Company's 1995 statement of income includes a net loss from the Southern California operations of \$318,291 for the eight months ended August 31, 1995.

7. MT. DIABLO COMMUNICATION SITE DAMAGE

On December 12, 1995, a severe wind destroyed the tower at the Company's Mt. Diablo communication facility. The Company received insurance proceeds totalling approximately \$434,000 in 1996. Of these proceeds, \$126,000 was capitalized in property and equipment, \$213,000 was recorded as revenue and \$95,000 was recorded as a reduction of operating expenses.

8. FUTURE LEASE INCOME

The Company has long-term, non-cancelable agreements under operating leases for license fee income. Future minimum annual lease income at December 31, 1996 is as follows:

Year ending December 31:	
1997.....	\$ 3,263,693
1998.....	2,786,793
1999.....	1,935,638
2000.....	1,493,622
2001.....	964,394
Thereafter.....	593,206

Total.....	\$11,037,346
	=====

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Diablo Communications of Southern California, Inc.

We have audited the balance sheets of Diablo Communications of Southern California, Inc. (a California S Corporation) (the "Company") as of December 31, 1995 and December 31, 1996 and the related statements of operations, stockholders' equity and cash flows for the period from September 1, 1995 (inception) to December 31, 1995 and for the year ended December 31, 1996. 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 of the financial statements 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 Diablo Communications of Southern California, Inc. as of December 31, 1995 and December 31, 1996, and the results of its operations and its cash flows for the period from September 1, 1995 (inception) to December 31, 1995 and the year ended December 31, 1996 in conformity with generally accepted accounting principles.

As emphasized in Note 9 to the financial statements, during October 1997, the Company sold substantially all of its assets to an outside party.

Rooney, Ida, Nolt & Ahern
Certified Public Accountants

Oakland, California
February 7, 1997
October 9, 1997 as to note 9
to the financial statements

DIABLO COMMUNICATIONS OF SOUTHERN CALIFORNIA, INC.

BALANCE SHEETS

	DECEMBER 31,		SEPTEMBER 30,
	1995	1996	1997
			(UNAUDITED)
ASSETS			
CURRENT ASSETS:			
Cash.....	\$ 204,781	\$ 61,043	\$ 15,094
Accounts receivable, trade.....	7,591	27,245	12,914
Prepaid expenses.....	1,272	2,462	24,990
Total current assets.....	213,644	90,750	52,998
PROPERTY AND EQUIPMENT--net.....	441,105	1,013,434	1,667,418
OTHER ASSETS:			
Prepaid expenses--net.....	2,348	7,970	6,468
Deposits.....	6,976	10,776	11,146
Total other assets.....	9,324	18,746	17,614
TOTAL.....	\$ 664,073	\$ 1,122,930	\$ 1,738,030
	=====	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY			
(DEFICIENCY)			
CURRENT LIABILITIES:			
Notes and contracts payable.....	\$ 283,544	\$ 310,522	\$ 382,494
Accounts payable.....	148,438	447,232	1,242,179
Customer fees advanced.....	1,707	12,839	17,426
Accrued liabilities.....	5,419	16,023	11,634
Total current liabilities.....	439,108	786,616	1,653,733
LONG-TERM DEBT.....	21,139	930,617	1,065,417
COMMITMENTS AND CONTINGENCIES			
STOCKHOLDERS' EQUITY (DEFICIENCY):			
Common stock, no par value, 10,000,000			
shares authorized, 1,000,000 issued			
and outstanding.....	450,921	450,921	450,921
Accumulated deficit.....	(247,095)	(1,045,224)	(1,432,041)
Total stockholders' equity			
(deficiency).....	203,826	(594,303)	(981,120)
TOTAL.....	\$ 664,073	\$ 1,122,930	\$ 1,738,030
	=====	=====	=====

See notes to financial statements.

DIABLO COMMUNICATIONS OF SOUTHERN CALIFORNIA, INC.

STATEMENT OF OPERATIONS

	SEPTEMBER 1, (INCEPTION) TO DECEMBER 31, 1995	YEAR ENDED DECEMBER 31, 1996	NINE MONTHS ENDED SEPTEMBER 30, ----- 1996 1997 ----- (UNAUDITED) (UNAUDITED)	
NET REVENUES.....	\$ 45,445	\$ 408,555	\$ 251,733	\$ 660,195
OPERATING EXPENSES:				
Operating expenses, excluding depreciation and amortization and corporate general and administrative expenses.....	49,488	319,011	196,377	402,945
Depreciation and amortization.....	8,459	29,405	22,123	32,886
Corporate general and administrative.....	226,528	776,063	604,853	500,014
-----	-----	-----	-----	-----
Total operating expenses.....	284,475	1,124,479	823,353	935,845
-----	-----	-----	-----	-----
OPERATING LOSS.....	(239,030)	(715,924)	(571,620)	(275,650)
-----	-----	-----	-----	-----
OTHER INCOME (EXPENSES):				
Interest expense.....	(8,656)	(85,911)	(54,096)	(113,643)
Interest income.....	1,391	4,506	3,461	3,276
-----	-----	-----	-----	-----
Total other income (expenses).....	(7,265)	(81,405)	(50,635)	(110,367)
-----	-----	-----	-----	-----
LOSS FROM OPERATIONS BEFORE INCOME TAXES.....	(246,295)	(797,329)	(622,255)	(386,017)
INCOME TAX PROVISION.....	800	800	800	800
-----	-----	-----	-----	-----
NET LOSS.....	<u>\$ (247,095)</u>	<u>\$ (798,129)</u>	<u>\$ (623,055)</u>	<u>\$ (386,817)</u>
	=====	=====	=====	=====

See notes to financial statements.

DIABLO COMMUNICATIONS OF SOUTHERN CALIFORNIA, INC.

STATEMENT OF STOCKHOLDERS' EQUITY

	COMMON STOCK	ACCUMULATED DEFICIT	TOTAL
	-----	-----	-----
BALANCES, SEPTEMBER 1, 1995 (inception)...	\$450,921	\$ -0-	\$ 450,921
Net loss.....		(247,095)	(247,095)
	-----	-----	-----
BALANCES, DECEMBER 31, 1995.....	450,921	(247,095)	203,826
Net loss.....		(798,129)	(798,129)
	-----	-----	-----
BALANCES, DECEMBER 31, 1996.....	450,921	(1,045,224)	(594,303)
Net loss (unaudited).....		(386,817)	(386,817)
	-----	-----	-----
BALANCES, SEPTEMBER 30, 1997.....	\$450,921	\$(1,432,041)	\$(981,120)
	=====	=====	=====

See notes to financial statements.

DIABLO COMMUNICATIONS OF SOUTHERN CALIFORNIA, INC.

STATEMENT OF CASH FLOWS

	SEPTEMBER 1 (INCEPTION) TO DECEMBER 31, 1995	YEAR ENDED DECEMBER 31, 1996	NINE MONTHS ENDED SEPTEMBER 30, ----- 1996 1997 ----- (UNAUDITED) (UNAUDITED)	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net loss.....	\$(247,095)	\$ (798,129)	\$(623,055)	\$(386,817)
Adjustments to reconcile net loss to cash used by operating activities:				
Depreciation and amortization.....	8,459	29,405	21,517	32,886
Changes in assets and liabilities:				
Accounts receivable....	(7,591)	(19,654)	(23,386)	14,331
Prepaid expenses.....	(1,151)	(1,190)	(4,129)	(22,528)
Deposits.....	(4,096)	(3,800)	(3,800)	(370)
Accounts payable and accrued expenses.....	153,857	309,398	119,535	790,558
Customer fees advanced.....	1,707	11,132	(1,707)	4,587
Total adjustments.....	151,185	325,291	108,030	819,464
Cash provided (used) by operating activities.....	(95,910)	(472,838)	(515,025)	432,647
CASH FLOWS FROM INVESTING ACTIVITIES:				
Collection on note receivable.....	81,310			
Purchase of property and equipment.....	(50,449)	(599,856)	(371,191)	(685,368)
Organization costs.....	(2,516)			
Loan fees.....		(7,500)	(7,500)	
Cash provided (used) by investing activities.....	28,345	(607,356)	(378,691)	(685,368)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Proceeds from debt.....	275,000	1,000,000	750,000	248,751
Repayment of debt.....	(2,654)	(63,544)	(47,523)	(41,979)
Cash provided by financing activities.....	272,346	936,456	702,477	206,772
INCREASE (DECREASE) IN CASH.....	204,781	(143,738)	(191,239)	(45,949)
CASH, BEGINNING OF PERIOD..	-0-	204,781	204,781	61,043
CASH, END OF PERIOD.....	\$ 204,781	\$ 61,043	\$ 13,542	\$ 15,094
	=====	=====	=====	=====

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of business:

The Company develops and operates telecommunications sites in Southern California. The Company has a broad customer base which includes specialized mobile radio companies, paging companies, cellular telephone providers, broadcasters, emergency services, various private and governmental two-way radio users, and other entities with wireless communications needs.

Revenues are generated primarily from individual license agreements which entitle a customer to use an antenna system or antenna tower space, and to use on-site space in a climate controlled building for their transmitters, receivers, and related equipment.

For most of its sites, the Company holds a long-term lease interest. As a recognized full service site manager, the Company also manages sites for outside site owners.

Allowances for doubtful accounts:

The Company uses the allowance method for accounting for bad debts. An allowance for bad debts has not been provided currently since the Company's bad debt experience indicates that the amount would not be material.

Leases:

Leases meeting certain criteria are treated as capital leases requiring related assets and lease obligations to be recorded at their present value in the financial statements. Other leases, not qualifying under these criteria, are treated as operating leases for which rentals are charged to expense.

S Corporation election:

The Company has elected, by unanimous consent of its stockholders, to have its income taxed directly to the stockholders. Accordingly, provision for income taxes, except for an \$800 minimum state franchise taxes, has not been made. Deferred income taxes have not been recorded because such amounts are immaterial.

Property and equipment:

Property and equipment are recorded at cost and depreciation is computed using a combination of straight-line and accelerated methods of accounting over useful lives of 5 to 15 years.

Organization costs and loan fees:

Organization costs and loan fees are amortized using the straight-line method of accounting over 5 years.

Unaudited interim financial information:

In the opinion of management, the financial statements for the unaudited periods presented include all adjustments necessary for a fair presentation in accordance with generally accepted accounting principles, consisting solely of normal recurring accruals and adjustments. The results of operations and cash flows for the nine months ended September 30, 1996 and September 30, 1997 are not necessarily indicative of results which would be expected for a full year.

DIABLO COMMUNICATIONS OF SOUTHERN CALIFORNIA, INC.

NOTES TO FINANCIAL STATEMENTS--(CONTINUED)

Use of estimates:

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 disclosures. Accordingly, actual results could differ from those estimates.

Concentration of Credit Risk:

The Company extends credit to customers on an unsecured basis in the normal course of business. No individual customer is significant to the Company's customer base. The Company has policies governing the extension of credit and collection of amounts due from customers.

Recognition of Revenues:

Tower and sublease revenues are recognized when earned over the lease terms. Management fee revenues are recognized when earned over the terms of the management contracts.

Corporate general and administrative expenses:

Corporate general and administrative expenses consists of corporate overhead costs not specifically allocable to any of the Company's direct operating profit centers.

Impairment of long-lived assets:

In accordance with Statement of Financial Accounting Standards No. 121 "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of ", the company assesses on an on-going basis the recoverability of intangible assets based on estimates of future undiscounted cash flows for the applicable business acquired compared to net book value. If the future undiscounted cash flow estimate is less than net book value, net book value is then reduced to the undiscounted cash flow estimate. The Company also evaluates the amortization periods of intangible assets to determine whether events or circumstances warrant revised estimates of useful lives. As of September 30, 1997, management believes that no revisions to the remaining useful lives or writedowns of deferred charges are required.

Fair value of financial instruments:

The Company believes that the carrying value of all financial instruments is a reasonable estimate of fair value as of December 31, 1996 and September 30, 1997.

Retirement plan:

Employees of the Company, through its affiliate Diablo Communications, Inc., are eligible for participation in a 401(k) plan, subject to certain minimum age and length-of-employment requirements. The plan does not provide for any Company contributions.

Supplemental cash flow information:

For financial statement purposes of the statements of cash flows, the Company issued capital stock in exchange for \$450,921 in net assets, primarily property and equipment on September 1, 1995.

Cash payments for interest approximated \$8,656, \$71,256, \$50,653 and \$116,663 for period September 1, 1995 to December 31, 1995, for the year ended December 31, 1996 and the nine months ended September 30, 1996 and 1997, respectively.

DIABLO COMMUNICATIONS OF SOUTHERN CALIFORNIA, INC.

NOTES TO FINANCIAL STATEMENTS--(CONTINUED)

Cash payments for income taxes was \$800 for the period September 1, 1995 to December 31, 1995, for the year ended December 31, 1996 and the nine months ended September 30, 1996 and 1997, respectively.

NOTE 2. COMPANY ORGANIZATION:

In order to establish a separate company under which to conduct business in Southern California, on September 1, 1995, Diablo Communications, Inc. distributed all of its Southern California communication site leases, customer contracts, affiliated receivables, communication site equipment, vehicles, vehicle obligations, office lease and contracts, and office equipment to its stockholders according to their pro rata ownership. The stockholders then contributed these assets in exchange for 1,000,000 shares of capital stock. The net value of this contribution was \$450,921.

NOTE 3. PROPERTY AND EQUIPMENT:

Property and equipment consist of the following:

	DECEMBER 31,		SEPTEMBER 30,
	1995	1996	1997
			(UNAUDITED)
Land improvements.....	\$ 8,276	\$ 48,770	\$ 48,770
Towers and wiring.....	6,261	31,815	205,269
Equipment.....	19,190	26,477	26,477
Office furniture and equipment.....	27,729	27,729	27,729
Computers and software.....	23,718	24,746	24,746
Vehicles.....	27,546	27,546	27,546
Construction in progress.....	355,276	880,769	1,392,684
Total.....	467,996	1,067,852	1,753,221
Less accumulated depreciation.....	26,891	54,418	85,803
Property and equipment, net.....	\$441,105	\$1,013,434	\$1,667,418
	=====	=====	=====

NOTE 4. RELATED PARTY TRANSACTIONS:

Richard D. Spight and the Mary C. Spight Family Trust are the majority stockholders of Diablo Communications of Southern California, Inc. and Diablo Communications, Inc.

At the end of each period, the Company owed the following amounts to Diablo Communications, Inc:

	DECEMBER 31,		SEPTEMBER 30,
	1995	1996	1997
			(UNAUDITED)
Note payable at 8.68%.....	\$275,000	\$220,000	\$ 183,333
Accounts payable.....	116,872	297,400	1,214,622

After the sale of the Company's assets on October 9, 1997, these related note and accounts payable were paid in full.

Interest expense on this related party note payable was \$4,776, \$22,424, \$17,335 and \$13,290 for the period September 30, 1995 (inception) to December 31, 1995, year ended December 31, 1996 and for the nine month periods ended September 30, 1996 and September 30, 1997, respectively.

DIABLO COMMUNICATIONS OF SOUTHERN CALIFORNIA, INC.

NOTES TO FINANCIAL STATEMENTS--(CONTINUED)

NOTE 5. NOTES PAYABLE:

The Company has taken advances against a bank term loan approved for \$1,500,000. The Company pays interest only on the advances at rates ranging from 9.44% to 9.85%. The line of credit requires that certain financial covenants be maintained. The note is secured by a blanket lien on all of the Company's assets.

During March 1997, the Company entered into an unsecured credit agreement with American Tower Systems, Inc., that provides the Company with a \$650,000 unsecured loan commitment of which \$248,751 was outstanding at September 30, 1997. The Company pays interest only on the advances at prime, currently 8.5%. The note matures at the earlier of consummation of the sale or June 30, 2000.

The Company repaid all advances on both of these notes after the sale of substantially all its assets.

NOTE 6. LONG-TERM DEBT:

Maturities of long-term debt for the years subsequent to December 31, 1996, are as follows:

YEAR ENDING
DECEMBER 31,

1997.....	\$ 87,689
1998.....	204,759
1999.....	205,199
2000.....	201,841
2001.....	200,000
Thereafter.....	116,666

Totals.....	\$1,016,154
	=====

NOTE 7. COMMITMENTS:

Capital leases:

The future minimum lease payments under capital leases for communications equipment and certain office equipment in effect at December 31, 1996 are as follows:

YEAR ENDING
DECEMBER 31,

1997.....	\$ 3,422
1998.....	2,282

Total.....	5,704
Less interest portion.....	719

Present value of minimum lease payments.....	4,985
Less current installments.....	2,833

Long-term obligations under capital leases.....	\$ 2,152
	=====
Cost of equipment under capital leases.....	\$12,946
Less accumulated depreciation to December 31, 1996.....	7,625

Net.....	\$ 5,321
	=====
Current depreciation expense.....	\$ 2,129
	=====

DIABLO COMMUNICATIONS OF SOUTHERN CALIFORNIA, INC.

NOTES TO FINANCIAL STATEMENTS--(CONTINUED)

Operating leases:

At December 31, 1996, the Company was liable for various leases of office space and other real and personal property which require future minimum annual rental payments as follows:

YEAR ENDING DECEMBER 31, -----	
1997.....	\$231,937
1998.....	211,661
1999.....	216,298
2000.....	193,998
2001.....	62,950
Thereafter.....	-0-

Total.....	\$916,844
	=====

In addition, the Company is liable for various real property leases based on percentages of gross income ranging from 25% to 70%.

Rental expenses for these operating leases were \$35,611, \$271,419, \$173,407 and \$344,987, for the period September 1, 1995 (inception) to December 31, 1995, the year ended December 31, 1996 and for the nine month periods ended September 30, 1996 and September 30, 1997, respectively.

NOTE 8. FUTURE LEASE INCOME:

At December 31, 1996, the Company has long-term, non-cancelable agreements under operating-type leases for license fee income. Future minimum annual lease income is as follows:

YEAR ENDING DECEMBER 31, -----	
1997.....	\$ 659,445
1998.....	585,155
1999.....	434,161
2000.....	287,430
2001.....	193,657
Thereafter.....	-0-

Total.....	\$2,159,848
	=====

NOTE 9. SUBSEQUENT EVENT:

On October 9, 1997 the Company, along with Diablo Communications, Inc., a related company, sold substantially all of its assets to American Tower Systems, Inc. (ATS) for a combined purchase price of approximately \$46.5 million. DCSC's allocable share of the purchase price is approximately \$5.4 million. Some of DCSC's liabilities were included in the transaction.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors, Stockholders and Partners of
Meridian Communications
Calabasas, California:

We have audited the accompanying combined balance sheets of Meridian Communications (the "Company") as of December 31, 1995 and 1996, and the related combined statements of income, partners' capital and stockholders' equity, and cash flows for the years 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 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, such combined financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 1995 and 1996, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

/s/ Deloitte & Touche LLP

Deloitte & Touche LLP
Long Beach, California
October 31, 1997

MERIDIAN COMMUNICATIONS

COMBINED BALANCE SHEETS

DECEMBER 31, 1995 AND 1996 AND JUNE 30, 1997

	DECEMBER 31,		JUNE 30,
	1995	1996	1997
	(UNAUDITED)		
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents.....	\$ 30,897	\$ 63,665	\$ 21,168
Accounts receivable:			
Trade, net of allowance for doubtful ac- counts of \$1,244 and \$10,118 in 1995 and 1996, respectively, and \$17,720 (unau- dited) at June 30, 1997.....	60,961	80,190	103,709
Other accounts receivable (Note 8).....	19,461	25,889	2,260,295
Prepaid expenses and other current assets..	79,044	77,108	122,366
	-----	-----	-----
Total current assets.....	190,363	246,852	2,507,538
PROPERTY AND EQUIPMENT, Net (Note 2).....	2,523,929	2,917,751	3,147,692
INTANGIBLES, Net.....	22,000	141,948	112,292
OTHER ASSETS.....	1,859	2,259	6,299
	-----	-----	-----
TOTAL.....	\$2,738,151	\$3,308,810	\$5,773,821
	=====	=====	=====
LIABILITIES AND PARTNERS' CAPITAL AND STOCKHOLDERS' EQUITY:			
CURRENT LIABILITIES:			
Current maturities of long-term loans pay- able to shareholder and partner (Note 7)..	\$ 119,121	\$ 234,607	\$ 477,388
Accounts payable and accrued expenses.....	175,627	182,441	286,803
Security and other deposits.....	128,208	231,154	131,611
	-----	-----	-----
Total current liabilities.....	422,956	648,202	895,802
	-----	-----	-----
LONG-TERM LOANS PAYABLE TO SHAREHOLDER AND PARTNER (Note 7).....	553,533	1,012,681	918,808
DEFERRED REVENUE.....	214,918	279,641	186,413
COMMITMENTS AND CONTINGENCIES (Note 3)			
PARTNERS' CAPITAL AND STOCKHOLDERS' EQUITY:			
Common stock; \$1.00 par value; 75,000 shares authorized; 4,000 shares issued and outstanding.....	4,000	4,000	4,000
Additional paid-in capital.....	16,632	16,632	16,632
Partners' capital.....	631,690	507,245	2,734,202
Retained earnings.....	894,422	840,409	1,017,964
	-----	-----	-----
Total partners' capital and stockholders' equity.....	1,546,744	1,368,286	3,772,798
	-----	-----	-----
TOTAL.....	\$2,738,151	\$3,308,810	\$5,773,821
	=====	=====	=====

See accompanying notes to combined financial statements.

MERIDIAN COMMUNICATIONS

COMBINED STATEMENTS OF INCOME

YEARS ENDED DECEMBER 31, 1995 AND 1996 AND SIX MONTHS ENDED JUNE 30, 1996 AND 1997

	YEARS ENDED DECEMBER 31,		SIX MONTHS ENDED JUNE 30,	
	1995	1996	1996	1997
	(UNAUDITED)			
REVENUES:				
Site use.....	\$3,918,420	\$4,165,919	\$ 2,103,614	\$ 2,278,612
Site management.....	72,337	125,348	51,355	52,178
Repeater service.....	140,945	206,556	67,319	54,087
Total revenues.....	4,131,702	4,497,823	2,222,288	2,384,877
EXPENSES:				
Operating expenses, excluding depreciation and amortization.....	3,034,285	3,217,369	1,543,333	1,730,211
Depreciation and amortization.....	303,197	416,369	202,154	210,983
OPERATING INCOME.....	794,220	864,085	476,801	443,683
OTHER INCOME (EXPENSE):				
Interest and other income (expense).....	5,155	3,581	23,311	(17,741)
Interest expense to shareholder and partner (Note 6).....	(36,111)	(73,126)	(36,712)	(61,968)
Gain on sale of business (Note 8).....				3,080,563
Total other income (ex- pense).....	(30,956)	(69,545)	(13,401)	3,000,854
INCOME BEFORE INCOME TAX- ES.....	763,264	794,540	463,400	3,444,537
INCOME TAXES.....	800	800	3,145	2,526
NET INCOME.....	\$ 762,464	\$ 793,740	\$ 460,255	\$ 3,442,011

See accompanying notes to combined financial statements.

MERIDAN COMMUNICATIONS

COMBINED STATEMENTS OF PARTNERS' CAPITAL AND STOCKHOLDERS' EQUITY

YEARS ENDED DECEMBER 31, 1995 AND 1996 AND SIX MONTHS ENDED JUNE 30, 1997

	COMMON STOCK	ADDITIONAL PAID-IN CAPITAL	PARTNERS' CAPITAL	RETAINED EARNINGS	TOTAL
BALANCE, DECEMBER 31, 1994.....	\$4,000	\$16,632	\$ 630,902	\$ 987,093	\$ 1,638,627
Net income (loss).....			855,135	(92,671)	762,464
Cash distributions.....			(854,347)		(854,347)
BALANCE, DECEMBER 31, 1995.....	4,000	16,632	631,690	894,422	1,546,744
Net income (loss).....			847,753	(54,013)	793,740
Cash distributions.....			(972,198)		(972,198)
BALANCE, DECEMBER 31, 1996.....	4,000	16,632	507,245	840,409	1,368,286
Net income (Unaudited)..			3,264,456	177,555	3,442,011
Cash distributions (Un- audited).....			(1,037,499)		(1,037,499)
BALANCE, JUNE 30, 1997 (Unaudited).....	\$4,000	\$16,632	\$ 2,734,202	\$1,017,964	\$ 3,772,798
	=====	=====	=====	=====	=====

See accompanying notes to combined financial statements.

MERIDIAN COMMUNICATIONS

COMBINED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 1995 AND 1996 AND SIX MONTHS ENDED JUNE 30, 1996 AND 1997

	YEARS ENDED DECEMBER 31,		SIX MONTHS ENDED JUNE 30,	
	1995	1996	1996	1997
	(UNAUDITED)			
CASH FLOWS FROM OPERATING AC- TIVITIES:				
Net income.....	\$ 762,464	\$ 793,740	\$ 460,255	\$ 3,442,011
Adjustments to reconcile net income to net cash provided by operating activi- ties:				
Depreciation and amortiza- tion.....	303,197	416,369	202,154	210,983
Provision for doubtful ac- counts.....	(907)	8,874	1,955	7,748
Loss (gain) on disposal of property and equipment.....		7,315	8,954	(2,922,335)
Changes in operating assets and liabilities:				
Accounts receivable--trade...	45,358	(28,108)	(5,500)	(31,266)
Accounts receivable--other...	10,136	(6,428)	11,962	15,594
Prepaid expenses and other current assets.....	(23,359)	1,936	(76,357)	(45,258)
Other assets.....	(59)	(400)	(4,200)	(4,040)
Accounts payable and accrued expenses.....	47,801	(23,185)	255,826	153,552
Security and other depos- its.....	9,679	2,946	(400)	457
Deferred revenue.....	28,628	64,723	5,500	(93,228)
Net cash provided by operat- ing activities.....	1,182,938	1,237,782	860,149	734,218
CASH FLOWS FROM INVESTING AC- TIVITIES:				
Purchase of property and equipment.....	(716,932)	(857,562)	(312,264)	(508,699)
Proceeds from sale of property and equipment.....		42,609	29,175	750,575
Purchase of intangibles.....		(122,500)		
Receipt of deposits for re- peater services.....		130,000		
Application of deposits for repeater services.....				(130,000)
Net cash provided by (used in) investing activities...	(716,932)	(807,453)	(283,089)	111,876
CASH FLOWS FROM FINANCING AC- TIVITIES:				
Borrowings from shareholder and partner.....	400,000	655,000	100,000	219,000
Repayments on loans from shareholder and partner.....	(37,346)	(80,366)	(26,432)	(70,092)
Cash distributions.....	(854,347)	(972,195)	(486,101)	(1,037,499)
Net cash provided by (used in) financing activities...	(491,693)	(397,561)	(412,533)	(888,591)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....				
	(25,687)	32,768	164,527	(42,497)
CASH AND CASH EQUIVALENTS, BE- GINNING OF PERIOD.....	56,584	30,897	30,897	63,665
CASH AND CASH EQUIVALENTS, END OF PERIOD.....				
	\$ 30,897	\$ 63,665	\$ 195,424	\$ 21,168
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION-- Cash paid during the period for:				
Interest.....	\$ 36,111	\$ 72,673	\$ 13,087	\$ 33,168
Income taxes.....	\$ 0	\$ 900	\$ 900	\$ 800

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES:

- During December 1996, the Company acquired equipment by incurring accrued expenses in the amount of \$19,191.
- During February 1997, the Company received a non-trade account receivable in the amount of \$2,250,000 from the sale of a repeater system.

See accompanying notes to combined financial statements.

MERIDIAN COMMUNICATIONS

NOTES TO COMBINED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 1995 AND 1996 AND SIX MONTHS ENDED JUNE 30, 1996 AND 1997

(INFORMATION PERTAINING TO THE SIX MONTHS ENDED JUNE 30, 1996 AND 1997 IS UNAUDITED)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General--The combined financial statements include the accounts of Meridian Sales and Services Company ("MSSC"), a California S corporation, Meridian Communications North ("MCN"), a general partnership, and Meridian Radio Sites ("MRS"), a general partnership (referred to collectively as Meridian Communications or the "Company") which share common ownership and management. All significant intercompany balances and transactions have been eliminated in combination.

Meridian Communications develops and manages telecommunication antenna site facilities and repeater (mobile relay) equipment throughout Southern California.

Cash and Cash Equivalents--Cash and cash equivalents include cash in the bank as well as short-term investments with an original maturity of three months or less.

Use of Estimates--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 and disclosure of contingent assets and liabilities at 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.

Property and Equipment--Property and equipment are stated at cost less accumulated depreciation. Major renewals or betterments are capitalized and depreciated over their estimated useful lives. Repairs and maintenance are charged to expense in the period incurred.

Depreciation for financial statements purposes is computed using the straight-line method over the estimated useful lives of the assets. Buildings and leasehold improvements are depreciated over a period of 20 years, antenna site equipment over a period of 7 years, and office furniture, equipment, and automobiles over a period of 5 years.

Intangibles--Intangible assets are primarily comprised of the rights to a site lease acquired in 1996 and, to a lesser extent, an FCC license. The FCC license was sold in February 1997 with the sale of the assets used in connection with the repeater business for \$3,000,000 (see Note 8). The site lease rights are amortized on a straightline basis over the remainder of the lease term of 8 years.

MERIDIAN COMMUNICATIONS

NOTES TO COMBINED FINANCIAL STATEMENTS--(CONTINUED)
(INFORMATION PERTAINING TO THE SIX MONTHS ENDED JUNE 30, 1996 AND 1997 IS
UNAUDITED)

Long-Lived Assets--The Company records impairment losses on long-lived assets when events and circumstances indicate that the assets might be impaired and the undiscounted cash flows estimated to be generated by those assets are less than the carrying amounts of those assets.

Concentration of Credit Risk--The Company performs ongoing credit evaluation of its customers' financial condition and generally requires a one-month security deposit from its customers. As of December 31, 1996, the Company had no significant concentrations of credit risk.

Revenue Recognition and Deferred Revenue--Revenue is recorded when services are provided, according to rates set forth in customer contracts. Deferred revenue is recorded when services are paid in advance of performance.

Income Taxes--The Company is comprised of an S corporation and two partnerships for federal and state income tax purposes. The stockholders and partners report any income or loss of the Company directly on their personal tax returns. State income tax expense is computed using statutory tax rates applicable to S corporations.

Interim Financial Statements--The accompanying combined balance sheet as of June 30, 1997 and the combined statements of income, partners' capital and stockholders' equity, and cashflows for the six months ended June 30, 1997 and 1996 are unaudited. In the opinion of management, such unaudited financial statements include all adjustments necessary to present fairly the information set forth therein. These adjustments consist of normal recurring adjustments. The results of operations for such interim periods are not necessarily indicative of results for the full year.

2. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	DECEMBER 31,		JUNE 30,
	1995	1996	1997
			(UNAUDITED)
Land.....	\$ 28,839	\$ 28,839	\$ 28,839
Antenna site equipment.....	2,258,476	2,518,713	2,315,813
Buildings and leasehold improve- ments.....	1,767,261	1,793,290	1,793,290
Office furniture, equipment and automobiles.....	259,586	247,260	248,342
Construction in progress.....	195,787	687,006	1,167,466
	4,509,949	5,275,108	5,553,750
Less accumulated depreciation and amortization.....	(1,986,020)	(2,357,357)	(2,406,058)
	\$ 2,523,929	\$2,917,751	\$ 3,147,692
	=====	=====	=====

MERIDIAN COMMUNICATIONS

NOTES TO COMBINED FINANCIAL STATEMENTS--(CONTINUED)
(INFORMATION PERTAINING TO THE SIX MONTHS ENDED JUNE 30, 1996 AND 1997 IS
UNAUDITED)

3. LEASE COMMITMENTS

The Company leases office and antenna site facilities under operating lease agreements through the year 2009. One of the facilities is leased from a shareholder of MSSC for \$28,800 annually. This lease expires December 31, 1997. The Company is committed to minimum rental payments under leases (exclusive of real estate taxes, maintenance and other related charges) at December 31, 1996, as follows:

Years Ended December 31:

1997.....	\$ 512,706
1998.....	495,449
1999.....	441,866
2000.....	319,169
2001.....	275,987
Thereafter.....	2,100,576

	\$4,145,753
	=====

Rent expense charged to operations for the years ended December 31, 1995 and 1996 amounted to \$629,242 and \$727,427, respectively, of which \$20,400 and \$28,800, respectively, was paid to the shareholder. Rent expense charged to operations for the six months ended June 30, 1996 and 1997 amounted to \$311,266 and \$414,990, respectively, of which \$14,400 was paid to the shareholder in both periods.

4. INCOME TAXES

The Company's provision for income taxes for the years ended December 31, 1995 and 1996 consists of a minimum state liability of \$800 for each year which is assessed to MSSC.

The Company does not pay federal corporate income taxes on its taxable income. Instead, the stockholders and partners are liable for individual federal and state income taxes on their respective shares of the Company's taxable income. The Corporation continues to pay a California surtax of 1.5% of taxable income or the minimum state tax, whichever is greater.

5. PROFIT SHARING PLAN

MSSC has a profit sharing plan (the "Plan") which covers all employees who have accumulated a minimum amount of hours of service during a year. MSSC's contribution to the Plan is determined annually by the Board of Directors. Provisions for contributions to the profit sharing plan of \$22,578 and \$21,457, respectively, were made for the years ended December 31, 1995 and 1996.

Effective July 1, 1997, there will be no additional contributions to the Plan. Additionally, the Plan will be terminated and all assets distributed to the participants as defined in the Plan.

6. RELATED PARTY TRANSACTIONS

The Company engages in transactions with a shareholder and partner whereby working capital funds are loaned to the Company and repaid over terms agreed to by both parties (see Note 7). Interest expense incurred on these loans amount to \$36,111 and \$73,126 for the years ended December 31, 1995 and 1996, respectively, and \$36,712 and \$61,968 for the six months ended June 30, 1996 and 1997, respectively.

Certain of the Company's buildings and equipment are regularly repaired and maintained by Lee's Two-Way Radio, a California corporation owned and controlled by Norman Kramer, a general partner. Payments to Lee's Two-Way Radio for the years ended December 31, 1995 and 1996 were \$31,369 and \$34,765, respectively.

Payments for administrative services in the amount of \$16,194 and \$14,466 for the years ended December 31, 1995 and 1996, respectively, were paid to Norman Kramer, a general partner.

MERIDIAN COMMUNICATIONS

NOTES TO COMBINED FINANCIAL STATEMENTS--(CONTINUED)
(INFORMATION PERTAINING TO THE SIX MONTHS ENDED JUNE 30, 1996 AND 1997 IS
UNAUDITED)

7. LONG-TERM LOANS PAYABLE TO SHAREHOLDER AND PARTNER

	DECEMBER 31, ----- 1995 1996 -----		JUNE 30, 1997 ----- (UNAUDITED)
Unsecured loan payable to shareholder in the original amount of \$310,000, payable in sixty monthly installments of \$6,857, including interest at the rate of 10% per annum. Final installment is due March 31, 2000.....	\$272,654	\$ 218,440	\$ 189,240
Unsecured loan payable to shareholder in the original amount of \$400,000 at December 31, 1995 and increased to \$500,000 during 1996, payable in sixty monthly installments of \$10,624 per month, including interest at the rate of 10% per annum. Final installment due August 31, 2001.....	400,000	473,848	432,956
Unsecured loan payable to shareholder in the original amount of \$55,000, interest payable at the rate of 10% per annum, due November 27, 2001.....		55,000	55,000
Unsecured loan payable to shareholder in the original amount of \$500,000, interest payable at the rate of 10% per annum, due December 31, 2001.....		500,000	500,000
Unsecured temporary loans payable to shareholder and partner, at the rate of 10% per annum, payable upon demand.....			219,000
	672,654	1,247,288	1,396,196
Less current maturities.....	119,121	234,607	477,388
	\$553,533	\$1,012,681	\$ 918,808
	=====	=====	=====

All loans to the shareholder and partner were paid in full following the sale of the Company's assets and business to ATS (see Note 9).

8. SALE OF THE REPEATER BUSINESS

Effective December 1, 1996, the Company entered into a ten-year agreement with an unrelated party granting the party the right to manage a repeater system and granting the party an option to purchase the system. Under the agreement, the Company received a non-refundable \$300,000 option fee in the first quarter of 1997 from the party. In addition, the Company receives repeater service fees quarterly from the party. As of June 30, 1997, the system is still being managed by the party and the purchase option has not been exercised.

Effective February 19, 1997, the Company sold a repeater system to an unrelated party for \$3,000,000. As of June 30, 1997, the uncollected portion of the purchase price, \$2,250,000, was included in non-trade accounts receivable. This amount was received during August 1997.

Effective February 28, 1997, the balance of the repeater business was sold to a separate buyer for the assumption of certain liabilities regarding the business.

Revenues for the repeater business which were transferred as a result of these transactions are \$140,945, \$206,556 and \$54,087 for the years and period ended December 31, 1995 and 1996, and June 30, 1997, respectively.

MERIDIAN COMMUNICATIONS

NOTES TO COMBINED FINANCIAL STATEMENTS--(CONTINUED)
(INFORMATION PERTAINING TO THE SIX MONTHS ENDED JUNE 30, 1996 AND 1997 IS
UNAUDITED)

9. SUBSEQUENT EVENT (UNAUDITED)

Effective July 1, 1997, the Company sold substantially all of its assets and the business related to these assets to American Tower Systems, Inc. ("ATS"). The combined purchase price was \$32,121,638 plus construction adjustments of \$581,042 for the acquisition and construction of certain new sites from June 14, 1996 through the date of the sale. Assets which were not sold to ATS include cash, accounts receivable, and assets related to the repeater business which were sold to unrelated buyers (see Note 8).

REPORT OF INDEPENDENT AUDITORS

The Board of Directors
American Tower Systems, Inc.

We have audited the accompanying balance sheets of Tucson Communications Company (the "Partnership") as of December 31, 1997 and 1996, and the related statements of income, partners' deficit, and cash flows for the years then ended. The financial statements are the responsibility of the Partnership'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. 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 financial statements referred to above present fairly, in all material respects, the financial position of Tucson Communications Company at December 31, 1997 and 1996, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

/s/ Ernst & Young LLP

Ernst & Young LLP
San Diego, California
January 13, 1998, except for Note 7,
as to which the date is January 27, 1998

TUCSON COMMUNICATIONS COMPANY

BALANCE SHEETS

(IN THOUSANDS)

	DECEMBER 31, 1997	DECEMBER 31, 1996
	-----	-----
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents.....	\$ 623	\$ 389
PROPERTY AND EQUIPMENT, net.....	751	836
OTHER ASSETS.....	16	18
	-----	-----
TOTAL.....	\$1,390	\$ 1,243
	=====	=====
LIABILITIES AND PARTNERS' DEFICIT		
CURRENT LIABILITIES:		
Current portion of long-term debt.....	\$ 198	\$ 180
Accrued expenses.....	31	18
	-----	-----
Total current liabilities.....	229	198
LONG-TERM DEBT.....	1,851	2,065
OTHER LONG-TERM LIABILITIES.....	22	47
	-----	-----
Total long-term liabilities.....	1,873	2,112
PARTNERS' DEFICIT.....	(712)	(1,067)
	-----	-----
TOTAL.....	\$1,390	\$ 1,243
	=====	=====

See accompanying notes to financial statements.

TUCSON COMMUNICATIONS COMPANY

STATEMENTS OF INCOME

(IN THOUSANDS)

	YEAR ENDED DECEMBER 31, 1997	YEAR ENDED DECEMBER 31, 1996
	-----	-----
REVENUES:		
Tower revenues, including reimbursed expenses of \$121 and \$116, respectively.....	\$1,460	\$1,438
OPERATING EXPENSES:		
Tower operations.....	317	287
Depreciation and amortization.....	166	164
General and administrative.....	136	84
	-----	-----
Total operating expenses.....	619	535
	-----	-----
INCOME FROM OPERATIONS.....	841	903
OTHER INCOME.....	12	19
INTEREST EXPENSE.....	(198)	(213)
	-----	-----
NET INCOME.....	\$ 655	\$ 709
	=====	=====

See accompanying notes to financial statements.

TUCSON COMMUNICATIONS COMPANY
STATEMENTS OF PARTNERS' DEFICIT
(IN THOUSANDS)

BALANCE, DECEMBER 31, 1995.....	\$(1,151)
Net income.....	709
Distributions.....	(625)

BALANCE, DECEMBER 31, 1996.....	(1,067)
Net income.....	655
Distributions.....	(300)

BALANCE, DECEMBER 31, 1997.....	\$ (712)
	=====

See accompanying notes to financial statements.

TUCSON COMMUNICATIONS COMPANY

STATEMENTS OF CASH FLOWS

(IN THOUSANDS)

	YEAR ENDED DECEMBER 31, 1997	YEAR ENDED DECEMBER 31, 1996
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income.....	\$ 655	\$ 709
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization.....	166	164
Changes in assets and liabilities:		
Accrued expenses.....	13	12
Other long-term liabilities.....	(25)	(9)
	-----	-----
Net cash provided by operating activities.....	809	876
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to property and equipment.....	(79)	(12)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of long-term debt.....	(196)	(183)
Distributions.....	(300)	(625)
	-----	-----
Net cash used in financing activities.....	(496)	(808)
	-----	-----
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....	234	56
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD.....	389	333
	-----	-----
CASH AND CASH EQUIVALENTS, END OF PERIOD.....	\$ 623	\$ 389
	=====	=====

See accompanying notes to financial statements.

TUCSON COMMUNICATIONS COMPANY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 1997 AND 1996

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business and Partnership Structure--Tucson Communications Company (the "Partnership") was organized as a limited partnership in the state of California on October 6, 1983 for the purpose of developing, managing and leasing a communications site located in the Tucson Mountains near Tucson, Arizona. Income allocations and cash distributions are in accordance with the partnership agreement.

Use of Estimates--The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates, and such differences could be material to the financial statements.

Concentration of Credit Risk--The Partnership extends credit to customers on an unsecured basis in the normal course of business. The Partnership has policies governing the extension of credit and collection of amounts due from customers.

Impairment of Long-Lived Assets--In March 1995, the Financial Accounting Standards Board 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 ("FAS 121"). FAS 121 addresses the accounting for the impairment of long-lived assets when events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Partnership adopted this statement during 1996 and the impact on the Partnership's results of operations, liquidity or financial position was not material.

Cash and Cash Equivalents--Cash and cash equivalents includes cash on hand, demand deposits, and short-term investments with original maturities of three months or less.

Property and Equipment--Property and equipment are recorded at cost. Cost includes expenditures for tower and related assets. Depreciation is provided using the double-declining balance method on equipment and straight-line method on buildings over estimated useful lives ranging from five to 31.5 years.

Fair Value of Financial Instruments--The Partnership believes that the carrying value of all financial instruments is a reasonable estimate of fair value as of December 31, 1997 and 1996, respectively.

Recognition of Revenues--Tower revenues are recognized when earned over the lease terms.

Income Taxes--The financial statements contain no provision for income taxes since the income or loss of the Partnership flows through to the Partners, who are responsible for including their share of the taxable results of operations on their respective tax returns.

TUCSON COMMUNICATIONS COMPANY
NOTES TO FINANCIAL STATEMENTS--(CONTINUED)

2. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following (in thousands):

	DECEMBER 31, 1997	DECEMBER 31, 1996
	-----	-----
Land and improvements.....	\$ 593	\$ 591
Towers and buildings.....	1,635	1,635
Technical equipment.....	1,309	1,293
Construction in progress.....	73	12
	-----	-----
Total.....	3,610	3,531
Less accumulated depreciation.....	(2,859)	(2,695)
	-----	-----
Property and equipment, net.....	\$ 751	\$ 836
	=====	=====

The Partnership's property and equipment are generally leased to customers under noncancelable operating leases with remaining terms ranging from one to 18 years. However, the leases allow cancellation under certain technical circumstances as specified in the respective lease agreements. Many of the leases also contain renewal options with specified increases in lease payments upon exercise of the renewal option.

Future minimum tower revenues required to be paid by lessees under all noncancelable leases in effect at December 31, 1997 are as follows (in thousands):

YEAR ENDING DECEMBER 31:

1998.....	\$ 1,362
1999.....	1,401
2000.....	1,444
2001.....	1,489
2002.....	1,536
Thereafter.....	11,496

Total.....	\$18,728
	=====

The amounts for the following customer accounted for greater than 10% of total operating revenues (in thousands):

	YEAR ENDED DECEMBER 31, 1997	YEAR ENDED DECEMBER 31, 1996
	-----	-----
Motorola.....	\$443	\$442
Peoples Choice.....	143	143
Saturn Cable.....	156	149

3. OTHER ASSETS

Other assets consisted of the following (in thousands):

	DECEMBER 31, 1997	DECEMBER 31, 1996
	-----	-----
Prepaid loan fees.....	\$ 31	\$ 31
Less accumulated amortization.....	(16)	(14)
Deposits.....	1	1
	----	----
Other assets.....	\$ 16	\$ 18
	====	====

TUCSON COMMUNICATIONS COMPANY
NOTES TO FINANCIAL STATEMENTS--(CONTINUED)

4. LONG-TERM DEBT

On May 31, 1990, the Partnership entered into a loan agreement with a financial institution to borrow \$3,100,000. Every twelve months the loan bears a new interest rate based on the one-year Constant Maturities, plus 3.5%. At December 31, 1997, the interest rate in effect was 9.15%. The loan is secured by land and equipment located on Tucson Mountain. Interest and principal payments are payable monthly and the loan matures on July 1, 2005. Cash paid for interest during the year ended December 31, 1997 and 1996 was \$198,000 and \$214,000, respectively.

Future principal payments required under the Company's financing agreement at December 31, 1997 are approximately (in thousands):

YEAR ENDING DECEMBER 31:

1998.....	\$ 198
1999.....	216
2000.....	237
2001.....	260
2002.....	285
Thereafter.....	853

Total.....	\$2,049
	=====

5. RELATED PARTY TRANSACTIONS

The Partnership pays an affiliated company for salaries, rent and utilities. During the years ended December 31, 1997 and 1996, the Partnership paid \$72,000 and \$65,000, respectively. In addition, the Partnership pays an affiliate of the general partner on an hourly basis for management services. During the years ended December 31, 1997 and 1996, the Partnership paid \$34,000 and \$29,000, respectively.

6. CONTINGENCY

The Partnership received notification of a matter involving threatened litigation relating to an on-site injury suffered by an individual during 1996. The party has requested a settlement payment of \$800,000. Management of the Partnership believes any liability arising from this matter will be covered by insurance and will not have a material impact on the Partnership's financial statements.

7. SUBSEQUENT EVENT

On January 27, 1998, the Partnership sold substantially all of the assets of the Partnership to American Tower Systems, Inc. for approximately \$12,000,000.

INDEPENDENT AUDITORS' REPORT

The Stockholders
Gearon & Co., Inc.:

We have audited the accompanying balance sheets of Gearon & Co., Inc. (the "Company") as of December 31, 1997 and 1996, and the related statements of operations, changes in stockholders' equity, and cash flows for the years 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 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, such financial statements present fairly, in all material respects, the financial position of the Company at December 31, 1997 and 1996, and the results of its operations and its cash flows for the years then ended, in conformity with generally accepted accounting principles.

/s/ Deloitte & Touche LLP

Deloitte & Touche LLP
Atlanta, Georgia
February 27, 1998

GEARON & CO., INC.

BALANCE SHEETS

	DECEMBER 31, 1997	DECEMBER 31, 1996
	-----	-----
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents.....	\$ 4,285,940	\$ 813,182
Accounts receivable--trade, net of allowance for doubtful accounts of \$309,164 and \$129,650 in 1997 and 1996, respectively.....	6,516,370	7,132,363
Unbilled receivables.....	4,741,198	515,688
Accounts receivable--other.....	286,751	6,390
Receivable from related party.....	--	200,000
	-----	-----
Total current assets.....	15,830,259	8,667,623
PROPERTY AND EQUIPMENT, net.....	3,793,881	561,028
OTHER ASSETS.....	138,800	27,530
	-----	-----
TOTAL.....	\$19,762,940	\$9,256,181
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable.....	\$ 2,653,403	\$ 27,587
Accrued expenses.....	239,350	39,693
Accrued merger related expenses.....	6,225,205	
Note payable.....	5,000,000	
	-----	-----
Total current liabilities.....	14,117,958	67,280
COMMITMENTS AND CONTINGENCIES (Note 3)		
STOCKHOLDERS' EQUITY		
Common stock, no par value, 10,000 shares authorized; 7,500 issued and outstanding in 1996.....		750
Class A voting common stock, no par value, 10,000 shares authorized, 7,500 issued and outstanding in 1997.....	8	
Class B nonvoting common stock, no par value, 1,000,000 shares authorized, 798,335 issued and outstanding in 1997.....	798	
Additional paid-in capital.....	5,549,944	
Retained earnings.....	94,232	9,188,151
	-----	-----
Total stockholder's equity.....	5,644,982	9,188,901
	-----	-----
TOTAL.....	\$19,762,940	\$9,256,181
	=====	=====

See notes to financial statements.

GEARON & CO., INC.

STATEMENTS OF OPERATIONS

	YEAR ENDED DECEMBER 31, 1997	YEAR ENDED DECEMBER 31, 1996
	-----	-----
REVENUES:		
Fees and bonuses.....	\$25,052,348	\$15,613,655
Pass-through revenues.....	4,376,070	5,349,795
Tower rentals.....	172,868	53,200
Other.....	328,467	467,785
	-----	-----
Total revenues.....	29,929,753	21,484,435
OPERATING EXPENSES:		
Operating expenses.....	12,835,263	6,619,029
Tower expenses.....	165,887	41,926
Pass-through expenses.....	4,376,070	5,349,795
	-----	-----
Total operating expenses.....	17,377,220	12,010,750
	-----	-----
GROSS PROFIT.....	12,552,533	9,473,685
General and administrative expenses.....	2,496,749	1,394,757
Merger related expenses.....	13,796,434	
	-----	-----
INCOME (LOSS) FROM OPERATIONS.....	(3,740,650)	8,078,928
OTHER INCOME AND EXPENSES, NET.....	73,310	94,822
	-----	-----
NET INCOME (LOSS).....	\$(3,667,340)	\$ 8,173,750
	=====	=====

See notes to financial statements.

GEARON & CO., INC.

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

	COMMON STOCK			ADDITIONAL PAID-IN CAPITAL	RETAINED EARNINGS	TOTAL
	COMMON STOCK	CLASS A VOTING	CLASS B NONVOTING			
BALANCE--January 1, 1996.....	\$ 750	\$--	\$--	\$ --	\$ 8,783,131	\$ 8,783,881
Distributions to shareholder.....					(7,768,730)	(7,768,730)
Net income.....					8,173,750	8,173,750
BALANCE--December 31, 1996.....	750				9,188,151	9,188,901
Exchange of 7,500 shares of original common stock for 7,500 shares of Class A voting stock and 742,500 shares of Class B nonvoting common stock.....	(750)	8	742			
Issuance of 55,835 shares of Class B nonvoting stock to certain employees....			56	5,549,944		5,550,000
Distributions to shareholder.....					(5,426,579)	(5,426,579)
Net loss.....					(3,667,340)	(3,667,340)
BALANCE--December 31, 1997.....	\$ --	\$ 8	\$798	\$5,549,944	\$ 94,232	\$ 5,644,982
	=====	=====	=====	=====	=====	=====

See notes to financial statements.

GEARON & CO., INC.

STATEMENTS OF CASH FLOWS

	YEAR ENDED DECEMBER 31, 1997	YEAR ENDED DECEMBER 31, 1996
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss).....	\$(3,667,340)	\$ 8,173,750
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Provision for doubtful accounts.....	383,167	129,650
Depreciation.....	185,670	103,283
Noncash merger related expense.....	5,550,000	
Changes in assets and liabilities;		
Decrease (increase) in accounts receivable trade.....	232,826	(3,434,228)
Decrease (increase) in unbilled receivables...	(4,225,510)	782,867
Decrease (increase) in accounts receivable other.....	(280,361)	20,307
Increase in other assets.....	(111,270)	(21,748)
Increase (decrease) in accounts payable.....	1,779,560	(35,463)
Increase (decrease) in accrued expenses.....	199,657	(22,523)
Increase in accrued merger related expense....	6,225,205	
	-----	-----
Net cash provided by operating activities.....	6,271,604	5,695,895
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES;		
Acquisition of property and equipment.....	(329,998)	(134,910)
Construction of towers, net of accounts payable...	(2,242,269)	(336,242)
	-----	-----
Net cash used in investing activities.....	(2,572,267)	(471,152)
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:		
Distributions to stockholder.....	(5,426,579)	(7,768,730)
Repayments from (loans to) related party.....	200,000	(170,000)
Proceeds from note payable.....	5,000,000	
Loan from stockholder.....	500,000	
Repayment to stockholder.....	(500,000)	
	-----	-----
Net cash used in financing activities.....	(226,579)	(7,938,730)
	-----	-----
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....	3,472,758	(2,713,987)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	813,182	3,527,169
	-----	-----
CASH AND CASH EQUIVALENTS, END OF YEAR.....	\$ 4,285,940	\$ 813,182
	=====	=====

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS
(AS OF AND FOR THE YEARS ENDED DECEMBER 31, 1997 AND 1996)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business and Corporate Structure--Gearon & Co., Inc. (the "Company"), a Georgia corporation, was incorporated on September 6, 1991 and is engaged in the site acquisition, development, construction and facility management of wireless network communication facilities on behalf of its customers. The Company operates in markets throughout the United States. In addition, as of December 31, 1997, the Company owned and operated 16 communications towers with an additional 20 towers in varying stages of development. The towers are located in Georgia, Florida, and Tennessee.

On January 22, 1998, the Company merged into and became a part of American Tower Systems, Inc. (ATSI) a subsidiary of American Radio Systems Corporation (ARS), pursuant to an Agreement and Plan of Merger ("the Merger Agreement") executed on November 21, 1997. Under the Merger Agreement, the holders of the Company's common stock at the effective date of the merger received a total of \$32,000,000 in cash and liabilities assumed by ATSI and 5,333,333 shares of ATSI stock with an agreed-upon fair value of \$48,000,000.

On December 30, 1997, the Company awarded a total of 55,835 shares of Class B common stock valued at \$5,550,000 (based on the share price paid by ATSI in the merger) to certain key employees, awarded cash bonuses totaling approximately \$7,667,000 to certain employees, and incurred approximately \$580,000 in other merger related expenses. On January 20, 1998, the Company awarded an additional 503 shares of Class B common stock valued at \$50,000 (based on the share price paid by ATSI in the merger) to a key employee. In addition, on January 20, 1998, accounts receivable of approximately \$11,000,000 and two automobiles with a net book value of \$16,247 were distributed to the majority stockholder.

Pursuant to the Merger Agreement, the Company borrowed a total of \$10,000,000 from ATSI in two \$5,000,000 installments on December 24, 1997 and January 20, 1998, respectively, to fund working capital and merger related expenses. Such borrowings bore interest at 7.5% and were repaid at closing.

Use of Estimates--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 and disclosure of contingent assets and liabilities at 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.

Concentration of Credit Risk--The Company extends credit to customers on an unsecured basis in the normal course of business. Credit risk is limited due to the financial reputation of the customers comprising the Company's customer base. The Company has policies governing the extension of credit and collection of amounts due from customers.

The following represents a summary of fees and bonuses earned from individual customers in excess of 10% of total fees and bonuses for the year ended:

	1997	1996
	-----	-----
Customer A.....	\$7,705,000	\$4,773,000
Customer B.....	5,462,000	
Customer C.....	5,660,000	

Impairment of Long-Lived Assets--In March 1995, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of. SFAS 121 addresses the accounting for the impairment of

NOTES TO FINANCIAL STATEMENTS--(CONTINUED)

long-lived assets, certain intangibles and goodwill when events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Company adopted this statement during 1996 and the impact on the Company's results of operations, liquidity or financial position was not material.

Cash and Cash Equivalents--Cash and cash equivalents includes cash on hand, demand deposits and short-term investments with original maturities of three months or less.

Property and Equipment--Property and equipment are recorded at cost. Ordinary repairs and maintenance are expensed as incurred; major replacements and improvements are capitalized and depreciated over their estimated useful lives. Depreciation is provided using the straight-line method over the estimated useful lives of the assets as follows:

Leasehold improvements.....	Life of lease
Furniture and fixtures.....	3-7 years
Machinery and equipment.....	3-7 years
Communications towers.....	15 years

Construction in Progress--The Company's tower construction expenditures are recorded as construction in progress until the assets are placed in service. When the assets are placed in service, they are transferred to the appropriate property and equipment category and depreciated. The Company also capitalizes subcontractor and employee labor and overhead costs incurred in connection with the construction of towers.

Revenue Recognition--Revenues from fees and bonuses are recognized based upon the completion of certain activities as defined by the respective contracts with individual customers. Several of the contracts provide for reimbursement by customers of certain costs in addition to fees earned. Such costs are recognized on the accrual basis and are reflected as pass-through revenues and expenses in the statements of operations. Tower and sublease revenues are recognized when earned over the terms of the related leases.

Income Taxes--At inception, the Company elected to be treated as a Subchapter S Corporation ("S Corporation") for income tax purposes. Accordingly, no recognition has been given to income taxes in the financial statements since the income is reportable on the individual tax return of the stockholders. Two states in which the Company does business do not recognize S Corporations for tax purposes and therefore the Company is liable for income taxes in those states. The amounts paid or accrued for income taxes were not material in relation to the financial statements.

New Accounting Pronouncement--In June 1997, the Financial Accounting Standards Board issued SFAS 131, "Disclosure About Segments of an Enterprise and Related Information" which the Company will adopt in 1998. SFAS 131 redefines how operating segments are determined and requires disclosure of certain financial and descriptive information about a company's operating segments. The Company has not yet completed its analysis of the impact of this statement.

Reclassifications--Certain 1996 amounts have been reclassified to conform to the 1997 presentation.

NOTES TO FINANCIAL STATEMENTS--(CONTINUED)

2. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	DECEMBER 31, 1997	DECEMBER 31, 1996
Land.....	\$ 82,198	\$ --
Leasehold improvements.....	73,180	60,902
Furniture and fixtures.....	138,111	81,694
Machinery and equipment.....	564,404	306,705
Communications towers.....	2,542,922	336,242
Construction in progress.....	801,060	--
Property and equipment, at cost.....	4,201,875	785,543
Accumulated depreciation.....	(407,994)	(224,515)
Property and equipment--net.....	3,793,881	\$ 561,028
	=====	=====

3. COMMITMENTS AND CONTINGENCIES

Lease Obligations--The Company currently leases office space, office equipment and land for communications towers under operating leases that expire at varying dates through 2002. The tower ground leases contain options for the Company to renew, at its discretion, for five-year periods up to a maximum term of twenty-five years. The leases require the Company to maintain certain insurance coverage and provide for maintenance and repairs. Future minimum lease payments for noncancelable office, equipment and ground leases are as follows for the periods ending December 31:

1998.....	400,794
1999.....	374,501
2000.....	351,755
2001.....	234,971
2002.....	179,705
Total.....	\$1,541,726
	=====

Customer Leases--The Company owns communications towers which it leases to third parties. The leases which are noncancelable and expire at various dates through 2006, contain options for the lessees to renew, at their discretion, for 5-year periods up to a maximum term of 25 years.

Future minimum rental receipts expected to be received from customers under noncancelable leases are as follows for the periods ending December 31:

1998.....	\$ 731,511
1999.....	794,812
2000.....	803,334
2001.....	766,185
2002.....	654,154
Thereafter.....	159,016
Total.....	\$3,909,012
	=====

NOTES TO FINANCIAL STATEMENTS--(CONTINUED)

Purchase Commitments--At December 31, 1997, the Company had entered into an agreement to acquire land for a communications tower for a purchase price of \$100,000. The purchase closed on February 11, 1998. In addition, at December 31, 1997, the Company had a verbal agreement with a customer to purchase seven communications towers for an aggregate purchase price of approximately \$1,000,000. This purchase is expected to be consummated in March 1998.

Employment Agreement--In August 1997, the Company entered into an employment agreement with an officer of the Company. The Agreement is for a term of one year and is renewable for successive one-year terms. The agreement contains provisions for compensation in the event of termination or a change in control of the Company. The compensation due to this officer as a result of the merger discussed in Note 1 has been included in accrued merger related expenses as of December 31, 1997. In November and December 1997, the Company entered into employment agreements with two officers of the Company. These agreements are for a term of two years, renewable for successive two-year terms and contain provisions for compensation in the event of termination other than for cause.

Legal Matters--The Company is a party to certain legal matters arising in the ordinary course of business. In the opinion of management, none of these matters are expected to have a material effect on the financial position, results of operations, or cash flows of the Company.

4. RETIREMENT PLAN

On September 1, 1996, the Company established the Gearon & Co., Inc. Employee Savings and Retirement Plan (the "Plan"), a 401(k) plan. Employees of the Company are eligible for participation in the Plan subject to certain minimum age and length of employment requirements. Plan participants can contribute from 2% to 15% of their compensation, as defined. The Company matches 25% of the participants' contributions up to 10% of compensation. The Plan's assets are invested in equity, bond, balanced, and money market mutual funds. The Company contributed approximately \$79,000 and \$24,000 for the years ended December 31, 1997 and 1996, respectively.

5. COMMON STOCK

Effective October 23, 1997, the Company authorized the issuance of 10,000 shares of Class A common stock and 1,000,000 shares of Class B common stock. Class A has voting privileges while Class B common stock is nonvoting. On October 23, 1997, all 7,500 shares of common stock previously outstanding were exchanged for 7,500 shares of Class A common stock and 742,500 shares of Class B common stock which were transferred to the original stockholder and a trust related to the original stockholder.

6. RELATED PARTY TRANSACTIONS

The receivable from a related party totaling \$200,000 at December 31, 1996 was repaid in full in January 1997.

INDEPENDENT AUDITORS' REPORT

The Board of Directors
American Tower Corporation:

We have audited the accompanying consolidated balance sheets of American Tower Corporation and subsidiaries as of December 31, 1996 and 1997, and the related consolidated statements of operations, stockholders' equity and cash flows for each of the years in the three-year 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 American Tower Corporation and subsidiaries as of December 31, 1996 and 1997 and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 1997 in conformity with generally accepted accounting principles.

KPMG Peat Marwick llp

Houston, Texas
January 23, 1998

AMERICAN TOWER CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT SHARE DATA)

ASSETS

	DECEMBER 31, 1996	DECEMBER 31, 1997	MARCH 31, 1998
	-----	-----	-----
			(UNAUDITED)
Current assets:			
Cash and cash equivalents.....	\$ 92	\$ 996	\$ 1,111
Accounts receivable, net of allowance for doubtful accounts of \$104, \$175 and \$174 respectively.....	816	1,021	1,084
Prepaid expenses and other current as- sets.....	793	719	984
Assets held for sale.....	700	--	--
	-----	-----	-----
Total current assets.....	2,401	2,736	3,179
Land.....	5,301	6,234	6,239
Rental towers and related fee based as- sets, net of accumulated depreciation of \$3,984, \$8,362 and \$9,730, respec- tively.....	61,556	112,412	125,788
Other assets, net of accumulated amorti- zation of \$836, \$951 and \$1,268, re- spectively.....	6,269	7,432	7,785
	-----	-----	-----
Total assets.....	\$75,527	\$128,814	\$142,991
	=====	=====	=====

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:			
Accounts payable.....	\$ 720	\$ 2,810	\$ 688
Accrued interest payable.....	598	1,061	4
Deferred revenues and other current li- abilities.....	978	2,125	3,277
Current portion of long-term debt.....	1,075	1,000	1,000
	-----	-----	-----
Total current liabilities.....	3,371	6,996	4,969
Long-term debt, less current portion....	49,771	74,478	90,139
Other liabilities.....	450	190	184
Deferred income taxes.....	6,337	6,767	6,957
	-----	-----	-----
Total liabilities.....	59,929	88,431	102,249
Commitments and contingencies			
Redeemable preferred stock \$.01 par val- ue.			
Authorized 5,000,000 shares; 22,500 shares issued and outstanding.....	4,000	4,052	4,067
Stockholders' equity:			
Common stock, \$.01 par value. Autho- rized 250,000 shares; 75,331, 149,549 and 149,549 shares issued and out- standing, respectively.....	1	2	2
Additional paid-in capital.....	12,051	36,426	36,426
Retained earnings (accumulated defi- cit).....	(454)	(97)	247
	-----	-----	-----
Total stockholders' equity.....	11,598	36,331	36,675
	-----	-----	-----
Total liabilities and stockholders' equity.....	\$75,527	\$128,814	\$142,991
	=====	=====	=====

See accompanying notes to consolidated financial statements.

AMERICAN TOWER CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS)

	YEAR ENDED DECEMBER 31,			THREE MONTHS ENDED MARCH 31,	
	1995	1996	1997	1997	1998
	(UNAUDITED)				
Total revenues.....	\$8,277	\$12,366	\$20,006	\$ 4,581	\$ 6,260
Operating expenses:					
Direct tower costs.....	1,868	2,849	4,138	856	1,305
Selling, general and adminis- trative.....	1,601	2,049	3,183	723	862
Depreciation and amortiza- tion.....	1,908	2,709	4,903	1,027	1,755
Total operating expenses....	5,377	7,607	12,224	2,606	3,922
Operating income.....	2,900	4,759	7,782	1,975	2,338
Interest expense.....	3,068	3,808	5,439	1,285	1,791
Other expenses.....	414	150	514	33	--
Income (loss) before income taxes and extraordinary item.....	(582)	801	1,829	657	547
Income tax (expense) benefit..	217	(303)	(801)	(288)	(188)
Income (loss) before extraor- dinary item.....	(365)	498	1,028	369	359
Extraordinary loss, net of tax benefit of \$117, \$272, and \$371, respectively.....	207	451	619	--	--
Net income (loss).....	(572)	47	409	369	359
Accretion of preferred stock..	--	--	52	--	15
Net income (loss) available to common stockholders.....	\$ (572)	\$ 47	\$ 35	\$ 369	\$ 344
	=====	=====	=====	=====	=====

See accompanying notes to consolidated financial statements.

AMERICAN TOWER CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(IN THOUSANDS, EXCEPT SHARE AMOUNTS)

	COMMON STOCK		ADDITIONAL PAID-IN CAPITAL	ACCUMULATED DEFICIT	TOTAL STOCKHOLDERS' EQUITY
	SHARES	VALUE			
Balances at December 31, 1994.....	67,500	\$ 1	\$ 7,424	\$ 71	\$ 7,496
Allocation of redeemable preferred stock pro- ceeds to warrants.....	--	--	500	--	500
Net loss.....	--	--	--	(572)	(572)
Balances at December 31, 1995.....	67,500	1	7,924	(501)	7,424
Shares of common stock issued in acquisition..	6,481	--	4,127	--	4,127
Conversion of warrants to common stock.....	1,350	--	--	--	--
Net income.....	--	--	--	47	47
Balances at December 31, 1996.....	75,331	1	12,051	(454)	11,598
Conversion of warrants to common stock.....	24,265	--	--	--	--
Conversion of warrants with put feature to common stock.....	12,462	--	174	--	174
Sale of common stock, net of issuance costs..	36,049	1	23,201	--	23,202
Common stock issued in connection with tower acquisition.....	1,442	--	1,000	--	1,000
Net income.....	--	--	--	409	409
Accretion of redeemable preferred stock.....	--	--	--	(52)	(52)
Balances at December 31, 1997.....	149,549	\$ 2	36,426	(97)	36,331
Net income (unaudited)	--	--	--	359	359
Accretion of redeemable preferred stock (unaudited)	--	--	--	(15)	(15)
Balances at March 31, 1998 (unaudited)	149,549	\$ 2	\$36,426	\$247	\$36,675
	=====	===	=====	====	=====

See accompanying notes to consolidated financial statements

AMERICAN TOWER CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)

	YEAR ENDED DECEMBER 31,			THREE MONTHS ENDED MARCH 31,	
	1995	1996	1997	1997	1998
				(UNAUDITED)	
Cash flows from operating activities:					
Net income (loss).....	\$ (572)	\$ 47	\$ 409	\$ 369	\$ 359
Adjustments to reconcile net income (loss) to net cash provided by operating activities:					
Depreciation and amortization.....	1,908	2,709	4,903	1,027	1,755
Accretion of debt discounts.....	202	808	121	109	111
Deferred income taxes....	(334)	31	430	288	190
Deferred loan costs written-off.....	324	--	990	--	--
Changes in assets and liabilities:					
Increase in accounts receivable, net.....	(203)	(218)	(205)	(709)	(63)
(Increase) decrease in prepaid expenses and other current assets....	(109)	(111)	74	(239)	(265)
Increase (decrease) in accounts payable.....	59	231	2,090	194	(2,122)
Increase (decrease) in accrued interest payable.....	14	59	463	67	(1,057)
Increase (decrease) in deferred revenues and other.....	332	(417)	1,061	143	1,152
Total adjustments.....	2,193	3,092	9,927	880	(299)
Net cash provided by operating activities.....	1,621	3,139	10,336	1,249	60
Cash flows from investing activities:					
Payments for purchases of towers and related assets.....	(7,351)	(14,249)	(56,075)	(11,795)	(15,484)
Proceeds from the sale of land.....	24	--	--	--	--
Payments for purchases of land.....	(500)	(1,124)	(933)	(100)	(5)
Net cash used in investing activities.....	(7,827)	(15,373)	(57,008)	(11,895)	(15,489)
Cash flows from financing activities:					
Proceeds from borrowings on long-term debt.....	4,646	39,850	70,800	11,262	15,544
Proceeds from issuance of common stock.....	--	--	23,202	--	--
Proceeds from issuance of preferred stock.....	4,133	367	--	--	--
Payments of long-term debt.....	(1,680)	(28,736)	(45,633)	--	--
Payments of deferred loan costs and interest rate cap.....	(98)	(1,060)	(793)	--	--
Net cash provided by (used in) financing activities.....	7,001	10,421	47,576	11,262	15,544
Net increase (decrease) in cash and cash equivalents.....	795	(1,813)	904	616	115
Cash and cash equivalents at beginning of period....	1,110	1,905	92	92	996
Cash and cash equivalents at end of period.....	\$1,905	\$ 92	\$ 996	\$ 708	\$ 1,111
Supplemental disclosure of cash flow information-- cash paid during the period for interest.....	\$2,915	\$ 2,925	\$ 3,902	\$ 656	\$ 1,919

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See accompanying notes to consolidated financial statements.

AMERICAN TOWER CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1995, 1996 AND 1997 AND MARCH 31, 1997 AND 1998 (UNAUDITED)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation

The accompanying consolidated financial statements reflect the financial position, results of operations, and cash flows of American Tower Corporation and its wholly-owned subsidiaries, collectively referred to as ATC or the Company. All significant intercompany transactions and balances have been eliminated.

(b) Description of Business

The primary business of the Company is the leasing of antenna and transmitter space on communication towers to companies using or providing cellular telephone, paging, microwave and specialized mobile radio services. The Company currently owns and operates communication tower sites located primarily in the western, eastern and southern United States.

(c) Interim Financial Information

The unaudited financial statements for the three months ended March 31, 1997 and 1998 are presented for comparative purposes only and have been prepared on a basis substantially consistent with that of the audited financial statements included herein. In the opinion of management, such unaudited financial statements include all adjustments, which are of a normal and recurring nature, considered necessary for a fair presentation. Operating results for the three-month periods ended March 31, 1997 and 1998 are not necessarily indicative of the results that may be expected for a full year.

(d) Cash Equivalents

Cash equivalents consist of short-term investments with an original maturity of three months or less.

(e) Rental Towers and Related Fee Based Assets

Rental towers and related fee based assets are stated at cost. Depreciation on rental towers and related fee based assets is calculated on the straight-line method over the estimated useful lives of the assets which range from 3 to 25 years.

(f) Other Assets

Other assets include licenses and permits which are amortized on a straight-line basis over their expected period of benefit, 25 years, and a noncompete agreement with a stockholder which is being amortized on a straight-line basis over its seven year term. Also included are deferred loan costs associated with various debt issuances which are amortized over the terms of the related debt based on the amount of outstanding debt using the interest method.

(g) Impairment of Long-Lived Assets and Long-Lived Assets to Be Disposed Of

The Company adopted the provisions of Statement of Financial Accounting Standards (SFAS) No. 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 exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or the fair value less costs of disposal. Adoption of this statement did not have a material impact on the Company's financial position, results of operations, or liquidity.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

(h) Income Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

(i) Fair Value of Financial Instruments

SFAS No. 107, Disclosure about Fair Value of Financial Instruments requires the Company to disclose estimated fair values for its financial instruments. Fair value estimates are made at discrete points in time based on relevant market information. These estimates may be subjective in nature and involve uncertainties and matters of significant judgment and therefore, cannot be determined with precision.

The Company believes that the carrying amounts of its financial instrument current assets and current liabilities approximate the fair value of such items due to their short-term nature. The carrying amount of long-term debt approximates its fair value because the interest rates approximate market.

(j) Revenue Recognition

Revenues are recognized as tower services are provided. Amounts billed or received prior to services being performed are deferred until such time as the revenue is earned.

(k) Stock Option Plan

On January 1, 1996, the Company adopted SFAS No. 123, Accounting for Stock-Based Compensation, which permits entities to recognize as expense over the vesting period the fair value of all stock-based awards on the date of grant. Alternatively, SFAS No. 123 allows entities to continue to apply the provisions of Accounting Principles Board (APB) Opinion No. 25 and provide pro forma net income disclosures as if the fair-value-based method defined in SFAS No. 123 had been applied. The Company has elected to continue to apply the provisions of APB Opinion No. 25 and provide the pro forma disclosure requirements of SFAS No. 123.

(l) Interest Rate Cap Agreements

The Company was party to a financial instrument to reduce its exposure to fluctuations in interest rates. The purchase price of the interest rate cap agreements was capitalized and included in prepaid expenses in the accompanying consolidated balance sheets and amortized over the life of the agreements using the straight-line method. The interest rate cap agreements expired in December 1997.

(m) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at 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.

(n) Reclassifications

Certain reclassifications have been made to prior period amounts in order to conform to the current presentation.

(2) RENTAL TOWERS AND RELATED FEE BASED ASSETS

Asset Acquisitions

In December 1995, the Company acquired in a single transaction substantially all of the tower sites and locations of CSX Realty Development Corporation (CSX) for \$9,750,000 which was funded through cash and

AMERICAN TOWER CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

seller financed debt. In addition during 1995, the Company acquired 81 other tower sites in several unrelated transactions.

In October 1996, the Company acquired in a single transaction substantially all of the tower sites and locations of Prime Communications Sites Holdings LLC and its subsidiary (Prime) for approximately \$15.3 million which was funded through borrowings under the Company's credit facility, seller financed debt and the issuance of common stock of the Company to the seller. In addition, during 1996 the Company acquired four other tower sites in two unrelated transactions.

In July 1997, the Company acquired in a single transaction 32 tower sites for approximately \$11.8 million which was funded through borrowings under the Company's credit facility. In addition, during 1997 the Company acquired 89 tower sites in several unrelated transactions totaling \$25.2 million. The purchase price for all acquisitions has been allocated to the land, towers and related fee based assets and licenses and permits based on their respective estimated fair values.

The following unaudited pro forma information represents the consolidated results of operations of the Company as if the 1997 acquisitions had occurred on January 1, 1996, and the 1996 acquisitions had occurred on January 1, 1995 (in thousands):

	1995	1996	1997
	-----	-----	-----
Rental revenue.....	\$10,575	\$17,290	\$21,578
Operating income.....	\$ 3,737	\$ 7,835	\$ 9,039
Net loss.....	\$(1,442)	\$(2,002)	\$ (326)

The pro forma information is not necessarily indicative of operating results that would have occurred if each acquisition had been consummated as of the respective dates, nor is it necessarily indicative of future operating results. The actual results of operations of the acquired assets are included in the Company's consolidated financial statements only from the date of acquisition.

TOWER DISPOSAL

On January 13, 1997, the Company entered into a binding letter agreement with a related shareholder and director to sell 45 communication towers for a purchase price of \$700,000. The closing of this transaction occurred during March 1997. At the closing, the Company sold the communication towers to the shareholder in exchange for a \$700,000 reduction in payments owed under the subordinated note payable to the shareholder issued in October 1994. See note 6 for further discussion. Due to the agreement, the related assets have been reflected as assets held for resale on the December 31, 1996 balance sheet.

(3)PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets consisted of the following (in thousands):

	DECEMBER 31,		MARCH 31,	
	-----	-----	-----	---
	1996	1997	1998	
	----	----	-----	
	(UNAUDITED)			
Prepaid land leases.....	\$619	\$637	\$727	
Other current assets.....	174	82	257	
	-----	-----	-----	
	\$793	\$719	\$984	
	=====	=====	=====	

AMERICAN TOWER CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

(4) OTHER ASSETS

Other assets consisted of the following (in thousands):

	DECEMBER 31, ----- 1996 1997 -----		MARCH 31, 1998 ----- (UNAUDITED)
Deferred loan costs, net.....	\$1,009	\$ 751	\$719
Licenses and permits, net.....	4,428	5,898	6,289
Noncompete costs, net.....	623	538	502
Other assets.....	209	245	275
	-----	-----	-----
	\$6,269	\$7,432	\$7,785
	=====	=====	=====

(5) DEFERRED REVENUES AND OTHER CURRENT LIABILITIES

Deferred revenues and other current liabilities consisted of the following (in thousands):

	DECEMBER 31, ----- 1996 1997 -----		MARCH 31, 1998 ----- (UNAUDITED)
Deferred revenues.....	\$201	\$1,125	\$1,799
Deferred compensation contracts.....	300	150	150
Accrued expenses and other.....	477	850	1,328
	-----	-----	-----
	\$978	\$2,125	\$3,277
	=====	=====	=====

(6) LONG-TERM DEBT

On October 11, 1996, the Company entered into a senior credit facility (the Credit Facility) in connection with the acquisition of the communication towers from Prime as discussed in note 2. The Credit Facility was extinguished during 1997 in connection with the Company entering into a new Senior Credit Agreement, discussed in further detail below.

The Credit Facility included a \$23 million revolving line of credit, which included a sub-allotment for letters of credit, and a \$37 million term loan facility. The Company utilized the proceeds of the term loan to (i) repay \$21.6 million of principal and interest to its existing senior lenders, (ii) prepay in full \$6.1 million of principal and interest to its senior subordinated lender, and (iii) to fund \$8.6 million of the purchase price for the Prime acquisition.

The Credit Facility incurred interest at LIBOR plus 275 basis points for interest periods ranging up to five months; thereafter, the credit facility incurred interest at LIBOR plus an applicable margin, not to exceed 275 basis points, based upon a defined leverage ratio, for interest periods of one, three or six months. The term loan and the revolving Credit Facility required principal amortization with quarterly payments totaling \$5.6 million in 1999. The Credit Facility contained restrictions on payment of dividends, and set forth minimum operating cash flows, as defined, to be attained by the Company.

Immediately prior to entering into the Credit Facility in October 1996, the Company owed its senior lenders \$21.5 million under a term loan, revolving line of credit and acquisition line of credit facilities which had been amended and extended in December 1995. The outstanding balance of the prior senior agreement bore interest at LIBOR plus 275 basis points. In conjunction with entering into the Credit Facility, the Company expensed \$451,000, net of taxes, of deferred loan and other financing costs associated with prior credit facilities. In conjunction with the amendment of the Company's senior credit agreement in December 1995, the Company expensed \$207,000, net of taxes, of deferred loan and other financing costs associated with prior credit facilities. Such deferred loan and other financing costs written off in 1995 have been reflected as extraordinary losses in the consolidated statements of operations.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

On June 30, 1997, the Company entered into a new senior credit agreement (the Credit Agreement). The Credit Agreement includes a \$100 million revolving line of credit, which includes a sub-allotment for letters of credit and a \$25 million term loan facility. In connection with entering into the Credit Agreement, the Company expensed \$619,000, net of taxes, of deferred loan and other financing costs associated with the prior credit facility. These deferred loan and other financing costs written off in 1997 have been reflected as extraordinary loss in the consolidated statements of operations.

SELLER ACQUISITION FINANCING

In connection with the acquisition of the towers and related sites in October 1996 as more fully discussed in note 2 and above, the Company issued an aggregate of \$2.5 million of subordinated term notes to certain sellers. Payment terms required (i) a single installment on October 11, 2004 or (ii) immediate payment upon an initial public offering. The subordinated term notes incurred interest at 11% payable quarterly commencing January 1997. During 1997 these notes were fully repaid.

Long-term debt consists of the following (in thousands):

	DECEMBER 31,		MARCH 31,
	1996	1997	1998
	-----	-----	-----
	(UNAUDITED)		
Term note payable, due in quarterly payments beginning in September 1999, interest at a base rate, as defined.....	\$ --	\$70,800	\$86,350
Term note payable, due in quarterly payments beginning in January 1999, interest at 8.38% until May 1997 at which time interest is LIBOR plus a maximum of 2.75%. Balance repaid during 1997.....	39,850	--	--
Seller financing, noninterest-bearing secured note payable, due in annual installments commencing December 20, 1996 through December 20, 2000.....	6,313	5,313	5,313
Subordinated note payable to shareholder, interest payable in quarterly installments at 10.5% per annum; payment of principal due in annual installments beginning November 15, 2001; original principal reduced by value of stock warrant (see note 9). Balance repaid during 1997.....	3,000	--	--
Subordinated notes payable, interest payable in quarterly installments at 11.0% per annum; single installment due October 2004. Balance repaid during 1997.....	2,561	--	--
Noninterest-bearing unsecured note payable, maturing in 1999.....	500	500	500
Note payable, due in quarterly installments commencing January 1, 1995 bearing interest at 10%. Balance repaid during 1997.....	300	--	--
Other.....	43	34	34
Discounts associated with noninterest-bearing obligations.....	(1,671)	(1,169)	(1,058)
Discount assigned to stock warrants (see note 9).....	(50)	--	--
	-----	-----	-----
Total long-term debt.....	50,846	75,478	91,139
Less current portion.....	1,075	1,000	1,000
	-----	-----	-----
Long-term debt excluding current portion..	\$49,771	\$74,478	\$90,139
	=====	=====	=====

The Company was party to a financial instrument in order to reduce its exposure to fluctuations in interest rates. The agreement provided for the third parties to make payments to the Company whenever a defined floating interest rate exceeded 10 percent per annum. No such payments were made in 1995 or 1996. Payments on the interest rate cap agreements were based on the notional principal amount of the agreements; no funds were actually borrowed or are to be repaid as of December 31, 1996. The unamortized portion of the purchase price was approximately \$107,000 and \$50,000 at December 31, 1995 and 1996, respectively. \$5,000,000 under this interest rate cap agreement expired in 1995 and the remaining \$9,000,000 agreement expired in December 1997.

AMERICAN TOWER CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

The aggregate annual maturities of long-term debt (not reduced for discount rates on noninterest-bearing obligations) for each of the five years subsequent to December 31, 1997 are as follows (in thousands):

YEAR ENDING DECEMBER 31, -----	
1998.....	\$ 1,000
1999.....	2,250
2000.....	6,457
2001.....	5,000
2002.....	8,300
Thereafter.....	53,640

	\$76,647
	=====

(7)FEDERAL INCOME TAXES

Income tax expense for the years ended December 31, 1995, 1996, and 1997 consisted of the following (in thousands):

	1995	1996	1997
	-----	-----	-----
Current.....	\$ --	\$--	\$--
Deferred.....	(217)	303	801
	-----	-----	-----
	\$(217)	\$303	\$801
	=====	=====	=====

Income tax expense at December 31, 1995, 1996 and 1997 differed from the amounts computed by applying the U.S. federal income tax rate of 34% to income before taxes and extraordinary items as follows (in thousands):

	1995	1996	1997
	-----	-----	-----
Computed "expected" tax expense (benefit).....	\$(198)	\$272	\$622
State taxes.....	29	28	30
Adjustment of prior taxes.....	--	--	112
Other.....	(48)	3	37
	-----	-----	-----
Total.....	\$(217)	\$303	\$801
	=====	=====	=====

At December 31, 1997, the Company had net operating loss carryforwards (NOLs) of approximately \$14,285,000 for U.S. Federal income tax purposes. The NOLs, if unused, will expire between 2008 and 2012. The portion of the NOLs which existed prior to October 15, 1994 are subject to annual limitations imposed by the Internal Revenue Code under Section 382. The current NOL balance is subject to limitations should a change in ownership occur.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities at December 31, 1996 and 1997 are as follows (in thousands):

	1996	1997
	-----	-----
Deferred tax assets:		
Net operating loss carryforward.....	\$3,472	\$5,357
Accrued liabilities.....	64	92
Other.....	72	67
	-----	-----
Net deferred tax assets.....	3,608	5,516
	-----	-----
Deferred tax liability--rental towers and related fee based assets, principally due to differences in basis for financial reporting purposes and tax purposes.....	9,945	12,283
	-----	-----
Net deferred tax liability.....	\$6,337	\$6,767
	=====	=====

There is no valuation allowance at December 31, 1996 and 1997 recorded against the deferred tax assets. It is the opinion of management that the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies will more likely than not result in the realization of the deferred tax assets.

(8) REDEEMABLE PREFERRED STOCK

In December 1995, the Company completed a private placement offering to its existing security holders to sell up to 22,500 newly created shares of Series A Redeemable Preferred Stock, \$0.01 par value (Series A Preferred Stock), at \$200 per share. Net proceeds to the Company were approximately \$4,500,000.

The shares of Series A Preferred Stock were sold together with 10-year warrants to purchase a total of 22,500 shares of common stock at a nominal exercise price. The Company determined the warrants to have an estimated fair value of \$500,000 at the offering date which was recorded as additional paid-in capital and a reduction of the outstanding Series A Preferred Stock. As of December 31, 1997, all of these warrants had been exercised.

Each share of Series A Preferred Stock has a liquidation preference of \$200 per share. The Company at its option can redeem any or all the outstanding shares of preferred stock for \$200 per share. The Company is required to redeem all such shares at a price of \$200 per share upon the occurrence of (i) a public offering or (ii) a change of control. The preferred shares have no voting or dividend rights.

(9) STOCKHOLDERS' EQUITY

In conjunction with the acquisition of Bowen-Smith Holdings, Inc., the Company issued warrants to the senior subordinated debt holder for 12,462 shares of common stock with an exercise price of \$.01 per share. This warrant was immediately exercisable into common stock of the Company. The Company determined this warrant to have an estimated market value of \$600,000 at the acquisition date which was recorded as additional paid-in capital and a reduction of the outstanding principal of the senior subordinated note payable. The Company recorded accretion of the debt discount of \$75,000 and \$59,000 for the years ended December 31, 1995 and 1996, respectively. As discussed further in note 6, the Company prepaid the senior subordinated debt holder in connection with the October 1996 amendment and extension of the Company's senior credit facility. The remaining unamortized debt discount of \$450,000 was included as an extraordinary loss on the consolidated statement of operations for the year ended December 31, 1996. The senior subordinated warrant holder could require the Company to purchase the stock warrants beginning in October 2002. The put amount was defined in the warrant agreement with the senior subordinated lender. At December 31, 1996, the accompanying consolidated financial statements include an accrual for \$174,000 related to the put feature of the warrants granted to the senior subordinated lender. These warrants were exercised and the put retired on June 30, 1997.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

During 1994, a warrant was also issued to a stockholder for 3,115 shares of common stock with a nominal exercise price. Due to certain restrictions as to the exercisability of this warrant, it was determined to have a value of \$75,000. This amount is reduced against the principal amount of the subordinated note payable to stockholder. The Company recorded accretion of the debt discount of \$12,000 for each of the years ended December 31, 1995 and 1996. This warrant was exercised in 1997 in connection with the retirement of the subordinated note payable to stockholder.

In June 1997, the Company completed a private placement offering of 36,049 shares of common stock with Clear Channel Communications, Inc. whereby the Company raised proceeds of \$23 million, net of issuance costs of approximately \$2 million.

(10) STOCK OPTION PLAN

In 1995, the Company adopted a stock option plan (the Plan) pursuant to which the Company's Board of Directors may grant stock options to officers and key employees. The Plan authorizes grants of options to purchase up to 9,231 shares of common stock. Stock options are granted with an exercise price equal to the stock's fair market value at the date of grant. All stock options have 10-year terms and vest and become fully exercisable after a range of 3 to 4 years from the date of grant.

At December 31, 1997, there were 2,731 additional shares available for grant under the Plan. The per share weighted-average value of stock options granted during 1995, 1996, and 1997 was \$37, \$192, and \$233, respectively, on the date of grant, using the Black Scholes model with the following assumptions: risk-free interest rate of 5.71% for the 1995 options, 6.58% for the 1996 options, and 6.50% for the 1997 options, expected life of 8 years, expected volatility of 0%, and an expected dividend yield of 0%.

The Company applies APB Opinion No. 25 in accounting for its Plan and, accordingly, no compensation cost has been recognized for its stock options in the consolidated financial statements. Had the Company determined compensation cost based on the fair value at the grant date for its stock options under SFAS No. 123, the Company's net income would have been reduced to the pro forma amounts indicated below (in thousands):

	1995	1996	1997
	----	----	----
Net income (loss)			
As reported.....	\$(572)	\$ 47	\$377
Pro forma.....	(579)	(231)	73

At December 31, 1996, the range of exercise prices and weighted average remaining contractual life of outstanding options was \$100-\$475, and 3.7 years, respectively. At December 31, 1997, the range of exercise prices and weighted-average remaining contractual life of outstanding options was \$100--\$475, and 7 years, respectively. Stock option activity during the periods indicated is as follows:

	NUMBER OF SHARES	WEIGHTED AVERAGE EXERCISE PRICE
	-----	-----
Balance at December 31, 1994	--	\$--
Granted.....	1,100	100
	-----	----
Balance at December 31, 1995.....	1,100	100
Granted.....	4,600	475
Forfeited.....	(500)	100
	-----	----
Balance at December 31, 1996.....	5,200	432
Granted.....	1,300	475
Forfeited.....	--	--
	-----	----
Balance at December 31, 1997.....	6,500	\$440
	=====	=====

AMERICAN TOWER CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

At December 31, 1996 and 1997, the number of options exercisable was 116 and 1,805, respectively, and the weighted-average exercise price of these options was \$100 and \$392 per share respectively.

(11)RELATED PARTY TRANSACTIONS AND COMMITMENTS

LEASES

In the ordinary course of business the Company leases land and buildings under long-term (ranging from one to ten years) operating leases. Total rent expense relating to land and building leases was approximately \$459,000, \$665,000, \$1,285,000, \$307,000 and \$457,000 for the years ending December 31, 1995, 1996 and 1997 and the three months ended March 31, 1997 and 1998, respectively.

Minimum future lease payments for the years ending December 31, are as follows (in thousands):

1998.....	\$ 1,517
1999.....	1,363
2000.....	1,223
2001.....	1,271
2002.....	829
Thereafter.....	4,237

Total minimum lease payments.....	\$10,440
	=====

RELATED PARTY TRANSACTIONS

The Company has entered into consulting agreements with three shareholders. The total management payments under these agreements was \$300,000 for each of the years ended December 31, 1996 and 1997, respectively, and future minimum payments required by these management agreements are \$300,000 and \$262,500 for the years ended December 31, 1998 and 1999, respectively.

The Company was subject to a management agreement, which was terminated during 1997, with a private investment firm which is a significant shareholder of the Company. The Company paid \$127,000 and \$342,725 to this investment firm during the years ended December 31, 1996 and 1997, respectively. The Company's president and chairman, as well as another director are the principal executive officers in the private investment firm.

The Company leases land for certain of its tower sites from an entity owned by a shareholder. During the years ended December 31, 1996 and 1997, rental expense relating to these land leases totaled \$35,000 and \$63,000, respectively. Additionally, prior to 1997, the Company leased its office facility from the same entity. Annual expense for the office facility approximated \$48,000 per year. The same shareholder is President of a tower fabrication and construction company. The Company has acquired the majority of its new towers from this entity, and during the years ended December 31, 1996 and 1997, the Company made payments of \$1,710,000 and \$3,057,000 respectively, to this entity.

AMERICAN TOWER CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

(12)SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES

The Company had the following noncash financing and investing activities (in thousands):

	1995	1996	1997
	-----	-----	-----
Notes payable issued for tower acquisitions.....	\$8,164	2,361	--
Common stock issued for acquisitions.....	--	4,127	1,000
Reduction of note payable in connection with disposal of towers.....	--	--	700
Put accrual written-off.....	--	--	174
Notes payable issued for noncompete agreements.....	160	--	--
Accrued acquisition costs.....	150	--	--
Accrued debt refinancing costs.....	100	--	--

(13)MERGER AGREEMENT

In December 1997, the Company entered into a Merger Agreement with American Tower Systems Corporation (ATS) which, subject to certain conditions, will result in the merger of the Company into ATS. The merger is scheduled to be completed during the first half of 1998.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholders
OPM-USA-INC.
Sarasota, Florida

We have audited the accompanying balance sheets of OPM-USA-INC. (the "Company") as of December 31, 1997 and 1996, and the related statements of operations, stockholders' equity (deficiency), and cash flows for the years 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 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, such financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 1997 and 1996, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

/s/ Deloitte & Touche LLP

Deloitte & Touche LLP
Boston, Massachusetts
March 2, 1998

OPM-USA-INC.

BALANCE SHEETS

DECEMBER 31, 1997 AND 1996

	1997	1996
	-----	-----
ASSETS		
CURRENT ASSETS:		
Cash.....	\$ 790,267	\$ 28,673
Accounts receivable.....	349,628	--
Prepaid expenses and other current assets.....	268,236	60,830
	-----	-----
Total current assets.....	1,408,131	89,503
PROPERTY AND EQUIPMENT, Net.....	15,333,257	2,694,349
OTHER ASSETS.....	93,776	91,049
	-----	-----
TOTAL.....	\$16,835,164	\$2,874,901
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIENCY)		
CURRENT LIABILITIES:		
Accounts payable.....	\$ 2,104,929	\$ 708,003
Accrued compensation.....	177,210	--
Accrued expenses.....	189,233	2,384
Deferred revenue.....	804,705	18,932
Current maturities of long-term debt.....	1,744	1,587
	-----	-----
Total current liabilities.....	3,277,821	730,906
	-----	-----
LONG-TERM DEBT.....	16,333,310	1,600,853
	-----	-----
COMMITMENTS AND CONTINGENCIES.....	--	--
	-----	-----
STOCKHOLDERS' EQUITY (DEFICIENCY):		
Common stock: \$1.00 par value; 100 shares authorized; 100 shares issued and outstanding (including treasury shares).....	100	100
Additional paid-in capital.....	999,956	999,956
Accumulated deficit.....	(2,276,023)	(456,914)
Treasury stock, at cost, 10 shares at December 31, 1997.....	(1,500,000)	--
	-----	-----
Total stockholders' equity (deficiency).....	(2,775,967)	543,142
	-----	-----
TOTAL.....	\$16,835,164	\$2,874,901
	=====	=====

See notes to financial statements.

OPM-USA-INC.

STATEMENTS OF OPERATIONS

YEARS ENDED DECEMBER 31, 1997 AND 1996

	1997	1996
	-----	-----
REVENUES--Tower revenue.....	\$ 863,258	\$ 60,402
EXPENSES:		
Operating expenses, excluding depreciation and amor-		
tization.....	1,145,699	280,868
Depreciation and amortization.....	428,499	43,230
General and administrative expenses.....	488,496	138,967
	-----	-----
OPERATING LOSS.....	(1,199,436)	(402,663)
	-----	-----
OTHER INCOME (EXPENSE):		
Interest expense.....	(635,956)	(17,625)
Other income.....	16,283	7,621
	-----	-----
Total other expense.....	(619,673)	(10,004)
	-----	-----
NET LOSS.....	\$(1,819,109)	\$(412,667)
	=====	=====

See notes to financial statements.

OPM-USA-INC.

STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIENCY)

YEARS ENDED DECEMBER 31, 1997 AND 1996

	COMMON STOCK	ADDITIONAL PAID-IN CAPITAL	ACCUMULATED DEFICIT	TREASURY STOCK	TOTAL
	-----	-----	-----	-----	-----
BALANCE, JANUARY 1,					
1996.....	\$100	\$ 3,281	\$ (44,247)	\$ --	\$ (40,866)
Net loss.....	--	--	(412,667)	--	(412,667)
Contributed capital...	--	996,675	--	--	996,675
	----	-----	-----	-----	-----
BALANCE, DECEMBER 31,					
1996.....	100	999,956	(456,914)	--	543,142
Net loss.....	--	--	(1,819,109)	--	(1,819,109)
Acquisition of trea-					
sury stock.....	--	--	--	(1,500,000)	(1,500,000)
	----	-----	-----	-----	-----
BALANCE, DECEMBER 31,					
1997.....	\$100	\$999,956	\$(2,276,023)	\$(1,500,000)	\$(2,775,967)
	====	=====	=====	=====	=====

See notes to financial statements.

OPM-USA-INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 1997 AND 1996

	1997	1996
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss.....	\$ (1,819,109)	\$ (412,667)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization.....	428,499	43,230
Interest expense added to loan principal.....	2,400	900
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets.....	(207,406)	(60,830)
Accounts receivable.....	(349,628)	--
Loan origination costs.....	(35,000)	(88,167)
Accounts payable and accrued expenses.....	1,760,985	655,049
Deferred revenue.....	785,773	18,932
	-----	-----
Net cash provided by operating activities.....	566,514	156,447
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES--		
Purchase of property and equipment.....	(13,034,977)	(2,736,879)
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:		
Capital contributions.....	--	996,675
Purchase of treasury stock.....	(1,500,000)	--
Proceeds from long-term debt.....	14,731,638	1,602,556
Repayment of long-term debt.....	(1,581)	(126)
	-----	-----
Net cash provided by financing activities.....	13,230,057	2,599,105
	-----	-----
INCREASE IN CASH.....	761,594	18,673
CASH, BEGINNING OF YEAR.....	28,673	10,000
	-----	-----
CASH, END OF YEAR.....	\$ 790,267	\$ 28,673
	=====	=====

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 1997 AND 1996

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General--OPM-USA-INC. (the "Company") develops and manages telecommunication antenna site facilities in the Southeastern United States.

Sale of Company--In September 1997, the Company's stockholders entered into an agreement to sell their common stock to American Tower Systems, Inc. ("ATSI") for a maximum purchase price of \$105,000,000. The purchase price is contingent upon the actual number of towers to be built on sites identified by OPM and the cash flows generated from those towers. Approximately \$21,300,000 was paid at closing. The sale closed on January 8, 1998. ATSI also agreed to provide financing on identified sites which are in various stages of receiving site permits to enable an additional 190 towers to be constructed. The aggregate amount of this financing is limited to \$37,000,000, of which \$5,784,156 was outstanding at December 31, 1997.

Concentration of Credit Risk--The Company performs ongoing credit evaluation of its customers' financial condition. As of December 31, 1997, there are three customers which individually comprise approximately 47%, 17% and 16% of the Company's total revenue.

Use of Estimates--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 and disclosure of contingent assets and liabilities at 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.

Property and Equipment--Property and equipment is stated at cost, less accumulated depreciation. Repairs and maintenance are charged to expense in the year incurred. Depreciation for financial statement purposes is computed using the straight-line method over the estimated useful lives of the assets. Telecommunication towers and antenna site equipment are depreciated over a period of 15 years, and office furniture, equipment, and automobiles are depreciated over the useful lives of the assets ranging from 5 to 7 years.

Construction in Progress--The Company's tower construction expenditures are recorded as construction in progress until the assets are placed in service. The Company capitalizes subcontractor employee labor and overhead costs incurred in connection with the construction of towers. As assets are placed in service, they are transferred to the appropriate property and equipment category and depreciation commences.

Other Assets--Other assets consist principally of deferred financing costs which are being amortized over a three-year period. Accumulated amortization aggregated \$35,500 and \$3,200 at December 31, 1997 and 1996, respectively.

Long-Lived Assets--The Company records impairment losses on long-lived assets if events and circumstances indicate that the assets might be impaired. Recoverability of long-lived assets is determined by periodically comparing the forecasted, undiscounted net cash flows of the operations to which the assets relate to the carrying amount. Through December 31, 1997, no impairments requiring adjustments have occurred.

Revenue Recognition and Deferred Revenue--Tower revenues are recognized as earned. Deferred revenue is recorded when tower rents are paid in advance of performance.

Income Taxes--The Company is an S corporation for federal and state income tax purposes. The stockholders report any income or loss of the Company directly on their personal tax returns.

NOTES TO FINANCIAL STATEMENTS--(CONTINUED)

YEARS ENDED DECEMBER 31, 1997 AND 1996

2. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	1997	1996
	-----	-----
Land.....	\$ 575,102	\$ 110,000
Telecommunication towers and antenna site equipment.....	11,525,984	1,559,302
Office furniture, equipment and automobiles.....	326,439	109,893
Construction in progress.....	3,342,056	955,243
	-----	-----
Total.....	15,769,581	2,734,438
Less accumulated depreciation.....	(436,324)	(40,089)
	-----	-----
Property and equipment, net.....	\$15,333,257	\$2,694,349
	=====	=====

3. COMMITMENTS AND CONTINGENCIES

Lease Obligations--The Company leases office and antenna site facilities under various operating lease agreements expiring through the year 2016. The Company is committed to minimum rental payments under leases (exclusive of real estate taxes, maintenance and other related charges) at December 31, 1997, as follows:

YEARS ENDING DECEMBER 31:

1998.....	\$ 715,623
1999.....	737,092
2000.....	759,205
2001.....	781,981
2002.....	805,440
Thereafter.....	14,176,317

Total.....	\$17,975,658
	=====

Rent expense charged to operations for the years ended December 31, 1997 and 1996 amounted to \$277,600 and \$43,500, respectively.

Contract Obligations--The Company has contract obligations for the erection of tower sites of \$4,531,000 at December 31, 1997.

Litigation--The Company periodically becomes involved in various claims and lawsuits that are incidental to its business. In the opinion of management, there are no matters currently pending which would, in the event of adverse outcome, have a material impact on the Company's financial position, the results of operations or liquidity.

4. CUSTOMER LEASES

The Company leases space on its tower properties to customers for set periods of time. Long-term leases typically contain provisions for renewals and specified rent increases over the lease terms. The Company has minimum lease commitments from its customers under these leases at December 31, 1997, as follows:

NOTES TO FINANCIAL STATEMENTS--(CONTINUED)

YEARS ENDED DECEMBER 31, 1997 AND 1996

YEARS ENDING DECEMBER 31:

1998.....	\$ 1,375,980
1999.....	1,384,847
2000.....	1,394,065
2001.....	1,403,636
2002.....	1,582,977
Thereafter.....	10,171,488

	\$17,312,993
	=====

5. RELATED-PARTY TRANSACTIONS

The Corporation has engaged with Atlantic Tower Construction, Inc. ("ATC"), a corporation 100% owned by the Company's existing stockholder, to construct certain telecommunication antenna site facilities. Payments to ATC aggregated \$922,700 and \$617,000 for the years ended December 31, 1997 and 1996, respectively.

In January 1998, the Company's stockholder paid bonuses aggregating \$600,000 to certain employees of the Company in connection with the sale of the Company. Such amounts will be expensed by the Company in 1998.

6. LONG-TERM DEBT

	1997	1996
	-----	-----
Unsecured loan payable to stockholder, Owen P. Mills, in the original amount of \$937,786, with no repayment terms, including interest at the rate of 8% per annum.....	\$ 1,144,249	\$ 972,110
Secured loan payable to Suntrust Bank in the original amount of \$575,000. Suntrust Bank has made available a nonrevolving credit facility in an amount not to exceed \$10,000,000 for sites and fully constructed antenna towers located thereon. The loan matures in three years, at which time the principal balance and accrued interest are payable in full. The rate of interest accrues on the outstanding principal balance of the loan based on a floating rate equal to 3% above the LIBOR rates.....	9,350,500	575,000
Secured loan payable to ATSI for financing construction of antenna towers and sites, including interest at a rate of 11.5% per annum.....	5,784,156	--
Unsecured mortgage loan payable to Goodwin/Woodhouse in the original amount of \$25,000; interest payable at the rate of 9.5% per annum, due November 30, 2006.....	23,293	24,874
Secured loan payable to Huntington Bank in the original amount of \$30,000, interest accrued at the rate of 8% per annum, principal and interest due March 31, 2013.....	32,856	30,456
	-----	-----
Total.....	16,335,054	1,602,440
Less current maturities.....	(1,744)	(1,587)
	-----	-----
Long-term debt--net.....	\$16,333,310	\$1,600,853
	=====	=====

In connection with the sale of the Company, the loans to the stockholder, Suntrust Bank and ATS were paid in full (see Note 1).

* * * * *

PROSPECTIVE INVESTORS MAY RELY ON THE INFORMATION CONTAINED IN THIS PROSPECTUS. NEITHER AMERICAN TOWER CORPORATION, THE SELLING STOCKHOLDERS NOR ANY UNDERWRITER HAS AUTHORIZED ANYONE TO PROVIDE PROSPECTIVE INVESTORS WITH INFORMATION DIFFERENT FROM THAT CONTAINED IN THIS PROSPECTUS. THIS PROSPECTUS IS NOT AN OFFER TO SELL NOR IS IT SEEKING AN OFFER TO BUY THESE SECURITIES IN ANY JURISDICTION WHERE THE OFFER IS NOT PERMITTED. THE INFORMATION CONTAINED IN THIS PROSPECTUS IS CORRECT ONLY AS OF THE DATE OF THIS PROSPECTUS, REGARDLESS OF THE TIME OF DELIVERY OF THIS PROSPECTUS OR ANY SALE OF THESE SECURITIES.

NO ACTION IS BEING TAKEN IN ANY JURISDICTION OUTSIDE THE UNITED STATES TO PERMIT A PUBLIC OFFERING OF THE CLASS A COMMON STOCK OR POSSESSION OR DISTRIBUTION OF THIS PROSPECTUS IN ANY SUCH JURISDICTION. PERSONS WHO COME INTO POSSESSION OF THIS PROSPECTUS IN JURISDICTIONS OUTSIDE THE UNITED STATES ARE REQUIRED TO INFORM THEMSELVES ABOUT AND TO OBSERVE ANY RESTRICTIONS AS TO THIS OFFERING AND THE DISTRIBUTION OF THIS PROSPECTUS APPLICABLE IN THAT JURISDICTION.

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LOGO

American Tower

23,866,023 Shares of

Class A Common Stock

(\$.01 par value)

PROSPECTUS

CREDIT SUISSE FIRST BOSTON

BT ALEX. BROWN

LEHMAN BROTHERS

MORGAN STANLEY DEAN WITTER

BEAR, STEARNS & CO. INC.

MERRILL LYNCH & CO.

SALOMON SMITH BARNEY

AMERICAN TOWER SYSTEMS CORPORATION
REGISTRATION STATEMENT ON FORM S-1

PART II

INFORMATION NOT REQUIRED IN THE PROSPECTUS

ITEM 13. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

Securities and Exchange Commission fee.....	\$ 148,396
New York Stock Exchange annual fee.....	60,000
New York Stock Exchange listing fee.....	60,000
NASD Review fee.....	30,500
Printing and engraving fees.....	500,000
Accountants' fees and expenses.....	350,000
Legal fees and expenses.....	350,000
Miscellaneous.....	1,131

Total.....	\$1,500,000
	=====

The foregoing, except for the Securities and Exchange Commission, NYSE and NASD fees, are estimated.

ITEM 14. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Section 145 of the Delaware General Corporation Law (the "DGCL") provides, in effect, that any person made a party to any action by reason of the fact that he is or was a director, officer, employee or agent of ATS may and, in certain cases, must be indemnified by ATS against, in the case of a non-derivative action, judgments, fines, amounts paid in settlement and reasonable expenses (including attorney's fees), if in either type of action he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of ATS and, in a non-derivative action, which involves a criminal proceeding, in which such person had no reasonable cause to believe his conduct was unlawful. This indemnification does not apply, in a derivative action, to matters as to which it is adjudged that the director, officer, employee or agent is liable to ATS, unless upon court order it is determined that, despite such adjudication of liability, but in view of all the circumstances of the case, he is fairly and reasonably entitled to indemnity for expenses.

Article XII of ATS's By-Laws provides that ATS shall indemnify each person who is or was an officer or director of ATS to the fullest extent permitted by Section 145 of the DGCL.

Article Sixth of the ATS's Restated Certificate states that no director of ATS shall be personally liable to ATS or its stockholders for monetary damages for breach of fiduciary duty as a director, except for (i) breach of the director's duty of loyalty to ATS or its stockholders, (ii) acts or omissions not in good faith or which involve intentional misconduct or knowing violation of law, (iii) liability under Section 174 of the DGCL relating to certain unlawful dividends and stock repurchases, or (iv) any transaction from which the director derived an improper personal benefit.

ITEM 15. RECENT SALES OF UNREGISTERED SECURITIES.

Pursuant to that certain American Tower Systems Corporation Stock Purchase Agreement, dated as of January 8, 1998, by and among ATS and the Purchasers thereto, ATS consummated an equity financing involving the issuance of an aggregate of 1,350,050 shares of Class A Common Stock, 4,649,950 shares of Class B Common Stock and 2,000,000 shares of Class C Common Stock at \$10.00 per share in exchange for an aggregate of \$49.4 million of notes secured by common stock of American Radio Systems Corporation having a market value of not less than 175% of the principal amount and accrued and unpaid interest on such notes.

Pursuant to that certain Agreement and Plan of Merger, dated as of November 21, 1997, as amended, by and among ATS, American Tower Systems, Inc., a Delaware corporation ("ATSI"), Gearon & Co., Inc., a Georgia corporation ("Gearon") and J. Michael Gearon, Jr., pursuant to which Gearson was merged with and into ATSI, with ATSI as the surviving corporation, in January 1998 ATS issued an aggregate of 5,333,333 shares of Class A Common Stock and paid approximately \$32.0 million in cash for an aggregate agreed upon consideration of approximately \$80.0 million.

On June 4, 1998, ATS issued in a private placement to institutional investors 300,000 shares of Series A Pay-In-Kind Preferred Stock, \$1,000 liquidation preference per share, ("Interim Preferred Stock") pursuant to the Interim Financing Agreement.

Pursuant to the certain Agreement and Plan of Merger, dated as of April 14, 1998, by and among ATS, ATSI, Intracoastal Broadcasting, Inc. ("Intracoastal") and the stockholders of Intracoastal, pursuant to which Intracoastal was merged with and into ATSI, with ATSI as the surviving corporation, in June 1998, ATS issued an aggregate of 720,000 shares of Class A Common Stock and issued its non-recourse note in the principal amount of approximately \$12.0 million in exchange for a broadcasting tower and notes in an aggregate principal amount equal to the principal amount of the ATS note.

All of the shares referred to in the foregoing paragraphs were issued by ATS in reliance on the exemption from registration provided by Section 4(2) of the Securities Act of 1933, as amended (the "Securities Act"). Each holder represented that it was acquiring its shares for investment purposes and not with a view to distribution within the meaning of the Securities Act. The stock certificates issued to all such holders bore restrictive legends. No commission or other remuneration will be paid or given by ATS directly or indirectly in connection with any of the foregoing transactions.

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

Listed below are the exhibit which are filed as part of this registration statement (according to the number assigned to them in Item 601 of Regulation S-K). Each exhibit marked by a (*) is incorporated by reference to ATS's Registration Statement on Form S-4 (File No. 333-46025) filed on February 10, 1998. Each exhibit marked by a (+) is incorporated by reference to the original filing of this Registration Statement (No. 333-52481) with the Commission on May 12, 1998. Each exhibit marked by a (++) is incorporated by reference to ATS's Registration Statment on Form S-1 (File No. 333-50111) filed on May 8, 1998. Exhibit numbers in parenthesis refer to the exhibit number in the applicable Registration Statement.

EXHIBIT NO.	DESCRIPTION OF DOCUMENT	EXHIBIT FILE NO.
1.1	Form of Underwriting Agreement, dated as of , 1998, by and among the Company and the Representatives of the Underwriters.....	Filed herewith as Exhibit 1.1
2.1	Agreement and Plan of Merger, dated as of November 21, 1997, by and among American Tower Systems Corporation ("ATS"), American Tower Systems, Inc., a Delaware corporation ("ATSI"), Gearon & Co., Inc., a Georgia corporation ("Gearon") and J. Michael Gearon, Jr. (the "Gearon Stockholder"). (Schedules and Exhibits omitted)...	
2.2	Amendment No. 1 to Agreement and Plan of Merger, dated as of January 22, 1998, among ATS, American Tower Systems (Delaware), Inc., a Delaware corporation (formerly known as American Tower Systems, Inc.), Gearon and the Gearon Stockholder.....	(*2.1)
2.3	Agreement and Plan of Merger, dated as of December 12, 1997, by and among ATS and American Tower Corporation, a Delaware corporation. (Schedules and Exhibits omitted).....	(*2.2)
		(*2.3)

EXHIBIT NO.	DESCRIPTION OF DOCUMENT	EXHIBIT FILE NO.
3(i).1	Restated Certificate of Incorporation of ATS, as filed with the Secretary of State of the State of Delaware on June 5, 1998.....	Filed herewith as Exhibit 3(i).1
3(i).2	Certificate of Designation relating to Exchange Pay-In-Kind Preferred Stock as filed with the Secretary of State of the State of Delaware on June 4, 1998.....	
3(i).3	Certificate of Designation relating to Series A Redeemable Pay-In-Kind Preferred Stock, as filed with the Secretary of State of the State of Delaware on June 4, 1998.....	Filed herewith as Exhibit 3(i).2
3(ii).1	By-Laws of ATS.....	Filed herewith as Exhibit 3(i).3
5	Opinion of Sullivan & Worcester LLP	Filed herewith as Exhibit 3(ii).1
10.1	Parent Loan Agreement, dated as of June 16, 1998, by and among ATS, Toronto Dominion (Texas), Inc., as Administrative Agent, and the Lenders parties thereto.....	Filed herewith as Exhibit 5
10.2A	ATS Facility A Loan Agreement, dated as of June 16, 1998 among American Tower Systems, L.P. ("ATSLP") and ATSI, as borrowers, and Toronto Dominion (Texas), Inc., as Administrative Agent, and the Banks parties thereto.....	Filed herewith as Exhibit 10.1
10.2B	ATS Facility B Loan Agreement, dated as of June 16, 1998, by and among ATSLP and ATSI, as borrowers, and Toronto Dominion (Texas), Inc., and the Banks parties thereto.....	Filed herewith as Exhibit 10.2A
10.3	First Amendment to Amended and Restated Loan Agreement, dated as of December 31, 1997, by and among ATSI, Toronto Dominion (Texas), Inc., as Administrative Agent and the Banks parties thereto	Filed herewith as Exhibit 10.2B
10.4	Assumption Agreement, dated as of January 22, 1998, by and among ATS, ATSI, American Tower Systems, L.P., a Delaware limited partnership, Toronto Dominion (Texas), Inc., as Administrative Agent and the Banks parties thereto.....	(*10.3)
10.5	Asset Purchase Agreement, dated as of February 5, 1997, by and between ATSI and Meridian Radio Sites, a California general partnership ("Meridian Radio"). (Schedules and Exhibits omitted).....	(*10.4)
10.6	First Amendment to Asset Purchase Agreement, dated as of February 10, 1997, by and between ATSI and Meridian Radio.....	(*10.5)
10.7	Second Amendment to Asset Purchase Agreement, dated as of June 24, 1997, by and between ATSI and Meridian Radio.....	(*10.6)
10.8	Asset Purchase Agreement, dated as of February 5, 1997, by and between ATSI and Meridian Sales and Services Company, a California corporation ("Meridian Sales"). (Schedules and Exhibits omitted).....	(*10.7)
10.9	First Amendment to Asset Purchase Agreement, dated as of February 10, 1997, by and between ATSI and Meridian Sales.....	(*10.8)
10.10	Second Amendment to Asset Purchase Agreement, dated as	(*10.9)

of June 24, 1997, by and
between ATSI and Meridian
Sales..... (*10.10)
10.11 Asset Purchase Agreement,
dated as of February 5, 1997,
by and between ATSI and
Meridian Communications North,
a California general
partnership ("Meridian
North"). (Schedules and
Exhibits omitted)..... (*10.11)

EXHIBIT NO.	DESCRIPTION OF DOCUMENT	EXHIBIT FILE NO.
10.12	First Amendment to Asset Purchase Agreement, dated as of February 10, 1997, by and between ATSI and Meridian North.....	(*10.12)
10.13	Second Amendment to Asset Purchase Agreement, dated as of June 24, 1997, by and between ATSI and Meridian North.....	(*10.13)
10.14	Asset Purchase Agreement, dated as of May 13, 1997, by and between ATSI and Towers L.L.C., a South Carolina limited liability company. (Schedules and Exhibits omitted, except for Employment Agreement).....	(*10.14)
10.15	Asset Purchase Agreement, dated as of May 21, 1997, by and between ATSI and B & E Associates, Inc., a Massachusetts corporation. (Schedules and Exhibits omitted).....	(*10.15)
10.16	Asset Purchase Agreement, dated as of May 21, 1997, by and between ATSI and DB Consultants, Inc., a Texas corporation. (Schedules and Exhibits omitted).....	(*10.16)
10.17	Asset Purchase Agreement, dated as of May 27, 1997, by and between ATSI and Communication Systems Development, Inc., a California corporation. (Schedules and Exhibits omitted)....	(*10.17)
10.18	Agreement of Limited Liability Company of Communication Systems Development, LLC, dated May 30, 1997, by and among ATSI and Communications Development Corporation, Inc., a California corporation.....	(*10.18)
10.19	Asset Purchase Agreement, dated as of June 25, 1997, by and between ATSI and Fernand E. Phaneuf, Jr. and Lorraine Phaneuf, being all of the shareholders of Tower Sites, Inc., d/b/a Tower Sites, Inc. a Connecticut corporation. (Schedules and Exhibits omitted).....	(*10.19)
10.20	Asset Purchase Agreement, dated as of July 8, 1997, by and between ATSI and Diablo Communications, Inc., a California corporation. (Schedules and Exhibits omitted).....	(*10.20)
10.21	Asset Purchase Agreement, dated as of July 8, 1997, by and between ATSI and Diablo Communications of Southern California, Inc., a California corporation. (Schedules and Exhibits omitted).....	(*10.21)
10.22	Asset Purchase Agreement, dated as of July 8, 1997, by and between ATS and Suburban Cable T.V. Co.....	(*10.22)
10.23	Asset Purchase Agreement, dated as of July 31, 1997, by and between ATSI and John C. Santangelo and Gerald Harkins, being all of the shareholders of Southeast Communications, Inc., and Southeast Communications, Inc., a Massachusetts corporation. (Schedules and Exhibits omitted)....	(*10.23)
10.24	Stock Purchase Agreement, date as of September 30, 1997, by and between ATSI, OPM-USA-INC., a Florida corporation ("OPM"), and the Stockholders of OPM. (Schedules and Exhibits omitted).....	(*10.24)
10.25	Asset Purchase Agreement, dated as of October 4, 1997, by and between ATSI and Tucson Communications Company, L.P., a California limited partnership. (Schedules and Exhibits omitted).....	(*10.25)
10.26	American Tower Systems Corporation 1997 Stock Option Plan, dated as of November 5, 1997, as amended and restated on April 28, 1998.....	(++10.26)
10.27	American Tower Systems Corporation Stock Purchase Agreement, dated as of January 8, 1998, by and among ATS and the Purchasers.....	(*10.27)
10.28	Employment Agreement, dated as of January 22, 1988, by and between ATSI and J. Michael Gearon, Jr.....	(*10.28)

EXHIBIT NO.	DESCRIPTION OF DOCUMENT	EXHIBIT FILE NO.
10.29	Asset Purchase Agreement, dated as of January 23, 1998, by and among ATSI, Midcontinent Media, Inc., a South Dakota corporation ("Midcontinent"), Midcontinent Teleport Co., a South Dakota corporation and a wholly-owned subsidiary of Midcontient ("MTC"), Wit Communications, Inc., a Delaware corporation and a wholly-owned subsidiary of MTC, and Washington International Teleport, Inc., a Delaware corporation and a wholly-owned subsidiary of Wit.....	(*10.29)
10.30	ARS-ATS Separation Agreement, dated as of June 4, 1998 by and among American Radio Systems Corporation, a Delaware Corporation ("ARS"), ATS, and CBS Corporation	Filed herewith as Exhibit 10.30
10.31	Securities Purchase Agreement, dated as of June 4, 1998, by and among ATS, Credit Suisse First Boston and each of the Purchasers named therein.....	Filed herewith as Exhibit 10.31
10.32	Registration Rights Agreement, dated as of June 4, 1998, by and among ATS, Credit Suisse First Boston, Consec Life Insurance, American Travelers Life Insurance Co. and Great American Reserve Insurance Co.	Filed herewith as Exhibit 10.32
10.33	Escrow Agreement, dated as of June 4, 1998, by and among ATS and Harris Trust and Savings Bank.....	Filed herewith as Exhibit 10.33
21	Subsidiaries of ATS.....	Filed herewith as Exhibit 21
23.0	Consents of Sullivan & Worcester LLP.....	Contained in the opinion of Sullivan & Worcester LLP filed herewith as part (+5)
23.1	Independent Auditor's Consents--Deloitte & Touche LLP.....	Filed herewith as Exhibit 23.1
23.2	Consent of Pressman Ciocca Smith LLP.....	Filed herewith as Exhibit 23.2
23.3	Consent of Ernst & Young LLP...	Filed herewith as Exhibit 23.3
24	Power of Attorney.....	Filed as page II-7 of the Registration Statement as originally filed on May 12, 1998
27	Financial Data Schedule.....	(+27)

ITEM 17. UNDERTAKINGS.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, 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 of 1933, 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 the time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Company certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-1 and has duly caused this Amendment No. 2 to Registration Statement No. 333-52481 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Boston, Commonwealth of Massachusetts, on the 30th day of June 1998.

AMERICAN TOWER CORPORATION

/s/ Steven B. Dodge*

By: _____

STEVEN B. DODGE
CHAIRMAN OF THE BOARD,
PRESIDENT AND CHIEF EXECUTIVE OFFICER

SIGNATURE

TITLE

DATE

/s/ Steven B. Dodge*

Chairman, President,
Chief Executive
Officer and Director

June 30, 1998

STEVEN B. DODGE

/s/ Joseph L. Winn*

Chief Financial Officer

June 30, 1998

JOSEPH L. WINN

/s/ Justin D. Benincasa

Vice President and
Corporate Controller

June 30, 1998

JUSTIN D. BENINCASA
*Individually and as
Attorney-in-Fact

/s/ Alan L. Box*

Chief Operating Officer
and Director

June 30, 1998

ALAN L. BOX

/s/ Arnold L. Chavkin*

Director

June 30, 1998

ARNOLD L. CHAVKIN

/s/ J. Michael Gearon, Jr.*

Executive Vice
President and Director

June 30, 1998

J. MICHAEL GEARON, JR.

/s/ Thomas H. Stoner*

Director

June 30, 1998

THOMAS H. STONER

The undersigned Directors of American Tower Corporation hereby severally constitute Joseph L. Winn, Justin D. Benincasa, Michael B. Milsom and Norman A. Bikales, and each of them, acting singly, our true and lawful attorneys to sign for us and in our names in the capacities indicated below the Company's Registration Statement on Form S-1 relating to the registration of 26,252,625 shares of the Company's Class A Common Stock, \$.01 par value and any and all amendments and supplements thereto (including and related registration statement filed pursuant to Rule 462(b) under the Securities Act), filed with the Securities and Exchange Commission, for the purpose of registering such shares, under the Securities Act of 1933, as amended, granting unto each of said attorneys, acting singly, full power and authority to do and perform each and every act and thing requisite or necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming our signatures to said registration statement signed by our said attorneys and all else that said attorneys may lawfully do and cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following person on behalf of the Company and in the capacities and on the dated indicated.

SIGNATURE	TITLE	DATE
/s/ Fred R. Lummis ----- FRED R. LUMMIS	Director	June 30, 1998
/s/ Randall Mays ----- RANDALL MAYS	Director	June 30, 1998

SCHEDULE I

AMERICAN TOWER SYSTEMS CORPORATION
(PARENT COMPANY ONLY)CONDENSED FINANCIAL INFORMATION OF REGISTRANT
CONDENSED BALANCE SHEETS

DECEMBER 31, 1996 AND 1997 AND MARCH 31, 1998

	DECEMBER 31,		MARCH 31,
	1996	1997	1998
			(UNAUDITED)
ASSETS			
Investments in and advances to subsidiaries.....	\$30,536,512	\$154,187,760	235,792,363
Deferred income taxes, current.....	--	62,560	62,560
Deferred income taxes, long-term.....			123,272,646
Total.....	\$30,536,512	\$154,250,320	359,127,569
LIABILITIES AND STOCKHOLDERS' EQUITY			
Due to Parent.....			\$125,210,000
Deferred income taxes.....	\$ 279,218	\$ 417,628	--
Minority interest in subsidiaries.....	528,928	625,652	600,240
Commitments and Contingencies.....	--	--	--
Stockholders' Equity (Note Below):			
Preferred Stock; \$0.01 par value; 20,000,000 shares authorized; no shares issued or out- standing.....			
Common Stock, \$0.01 par value, 10,000,000 shares authorized, 3,000 shares issued and outstanding in 1996.....	30	--	
Class A Common Stock; \$0.01 par value; 200,000,000 shares authorized; 29,667,883 and 36,351,266 shares is- sued and outstanding, respectively..	--	296,679	363,513
Class B Common Stock; \$0.01 par value; 50,000,000 shares authorized; 4,670,626 and 9,320,576 shares is- sued and outstanding, respectively..	--	46,706	93,206
Class C Common Stock; \$0.01 par value; 10,000,000 shares authorized; 1,295,518 and 3,295,518 shares is- sued and outstanding, respectively..	--	12,955	37,955
Notes receivable, due from stockhold- ers.....			(49,375,000)
Additional paid-in capital.....	30,318,420	155,710,741	286,589,686
Accumulated deficit.....	(590,084)	(2,860,041)	(4,387,031)
Total stockholders' equity.....	29,728,366	153,207,040	233,317,329
Total.....	\$30,536,512	\$154,250,320	359,127,569

Note: Please see page F-4, "Consolidated Statements of Stockholder's Equity," for activity occurring in the equity section of American Tower Systems Corporation (ATS).

SCHEDULE I

AMERICAN TOWER SYSTEMS CORPORATION
(PARENT COMPANY ONLY)

CONDENSED FINANCIAL INFORMATION OF REGISTRANT

CONDENSED STATEMENTS OF OPERATIONS

	PERIOD FROM JULY 17, 1995 TO DECEMBER 31, 1995	YEAR ENDED DECEMBER 31, ----- 1996 1997		THREE MONTHS ENDED MARCH 31, ----- 1997 1998	
				(UNAUDITED)	
Revenues.....	\$ --	\$ --	\$ --	\$ --	\$ --
Equity in net loss of subsidiaries.....	(110,411)	(479,673)	(2,269,957)	(57,954)	(1,526,990)
Net Loss.....	<u>\$(110,411)</u>	<u>\$(479,673)</u>	<u>\$(2,269,957)</u>	<u>\$(57,954)</u>	<u>\$(1,526,990)</u>

CONDENSED STATEMENTS OF CASH FLOWS

	PERIOD FROM JULY 17, 1995 TO DECEMBER 31, 1995	YEAR ENDED DECEMBER 31, ----- 1996 1997		THREE MONTHS ENDED MARCH 31, ----- 1997 1998	
				(UNAUDITED)	
CASH FLOWS FROM OPERATING ACTIVITIES:					
Net loss.....	\$(110,411)	\$ (479,673)	\$ (2,269,957)	\$(57,954)	\$(1,526,990)
Adjustments to reconcile net loss to cash flows from operating activities:					
Equity in net losses of subsidiaries.....	110,411	479,673	2,269,957	57,954	1,526,990
Cash flows from oper- ating activities.....	--	--	--	--	--
CASH FLOWS FROM INVESTING ACTIVITIES:					
Cash transfers to Par- ent.....	(179,426)	(4,866,226)	(16,650,000)	--	(29,800,000)
Investment by Parent....	242,215	2,548,557	143,073,631	2,543,171	28,684,995
Cash flows from in- vesting activities...	62,789	(2,317,669)	126,423,631	2,543,171	(1,115,005)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Cash transfers from sub- sidiary.....	179,426	4,866,226	16,650,000	--	29,800,000
Investments in subsidi- ary.....	(242,215)	(2,548,557)	(143,073,631)	(2,543,171)	(28,684,995)
Cash flows from fi- nancing activities...	(62,789)	2,317,669	(126,423,631)	(2,543,171)	1,115,005
CASH AND CASH EQUIVALENTS.....	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

Note: As of December 31, 1997, ATS was a holding company whose only asset consists of the stock of its wholly owned subsidiary American Tower Systems (Delaware), Inc. (ATSI). As of such date, ATSI held all operating assets of the consolidated group. ATS' income or loss is limited to the income or loss of ATSI, after elimination of income or loss attributable to minority investors in subsidiaries and investments of ATSI.

SCHEDULE II

AMERICAN TOWER SYSTEMS CORPORATION AND SUBSIDIARIES

VALUATION AND QUALIFYING ACCOUNTS

PERIOD FROM JULY 17, 1995 (INCORPORATION) TO DECEMBER 31, 1995,
THE YEARS ENDED DECEMBER 31, 1996 AND 1997 AND THE THREE MONTHS ENDED MARCH 31,
1998

	COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E
	-----	-----	-----	-----	-----
	BALANCE AT	CHARGED TO	CHARGED		BALANCE
	BEGINNING	COSTS AND	TO OTHER		AT END
DESCRIPTION	OF PERIOD	EXPENSES	ACCOUNTS	DEDUCTIONS	OF
-----	-----	-----	-----	-----	-----
Allowance for Doubtful Ac-					
counts:					
Period from July 17, 1995					
to December 31, 1995.....	\$ --	\$ --	\$ --	\$ --	\$ --
Year Ended December 31,					
1996.....	\$ --	\$ 47,044	\$ --	\$ --	\$ 47,044
Year Ended December 31,					
1997.....	\$ 47,044	\$124,350	\$ --	\$46,310	\$125,084
Three Months Ended March					
31, 1998 (unaudited).....	\$125,084	\$109,477	\$121,584	\$1,244	\$354,901

EXHIBIT INDEX

Listed below are the exhibits which are filed as part of this registration statement (according to the number assigned to them in Item 601 of Regulation S-K). Each exhibit marked by a (*) is incorporated by reference to ATS's Registration Statement on Form S-4 (File No. 333-46025) filed on February 10, 1998. Each exhibit marked by a (+) is incorporated by reference to the original filing of this Registration Statement (No. 333-52481) with the Commission on May 12, 1998. Each exhibit marked by a (++) is incorporated by reference to ATS's Registration Statement on Form S-1 (File No. 333-50111) filed on May 8, 1998. Exhibit numbers in parenthesis refer to the exhibit number in the applicable Registration Statement.

EXHIBIT NO.	DESCRIPTION OF DOCUMENT	EXHIBIT FILE NO.	PAGE NO.
1.1	Form of Underwriting Agreement, dated as of , 1998, by and among the Company and the Representatives of the Underwriters.....	Filed herewith as Exhibit 1.1	
2.1	Agreement and Plan of Merger, dated as of November 21, 1997, by and among American Tower Systems Corporation ("ATS"), American Tower Systems, Inc., a Delaware corporation ("ATSI"), Gearon & Co., Inc., a Georgia corporation ("Gearon") and J. Michael Gearon, Jr. (the "Gearon Stockholder"). (Schedules and Exhibits omitted).....	(*2.1)	
2.2	Amendment No. 1 to Agreement and Plan of Merger, dated as of January 22, 1998, among ATS, American Tower Systems (Delaware), Inc., a Delaware corporation (formerly known as American Tower Systems, Inc.), Gearon and the Gearon Stockholder.....	(*2.2)	
2.3	Agreement and Plan of Merger, dated as of December 12, 1997, by and among ATS and American Tower Corporation, a Delaware corporation. (Schedules and Exhibits omitted)...	(*2.3)	
3(i).1	Restated Certificate of Incorporation of ATS, as filed with the Secretary of State of the State of Delaware on June 5, 1998.....	Filed herewith as Exhibit 3(i).1	
3(i).2	Certificate of Designation relating to Exchange Pay-In-Kind Preferred Stock as filed with the Secretary of State of the State of Delaware on June 4, 1998.....	Filed herewith as Exhibit 3(i).2	
3(i).3	Certificate of Designation relating to Series A Redeemable Pay-In-Kind Preferred Stock, as filed with the Secretary of State of the State of Delaware on June 4, 1998.....	Filed herewith as Exhibit 3(i).3	
3(ii).1	By-Laws of ATS.....	Filed herewith as Exhibit 3(ii).1	
5	Opinion of Sullivan & Worcester LLP.....	Filed herewith as Exhibit 5	
10.1	Parent Loan Agreement, dated as of June 16, 1998, by and among ATS, Toronto Dominion (Texas), Inc., as Administrative Agent, and the Lenders parties thereto.....	Filed herewith as Exhibit 10.1	
10.2A	ATS Facility A Loan		

Agreement, dated as of
June 16, 1998 among
American Tower Systems,
L.P. ("ATSLP") and ATSI,
as borrowers, and
Toronto Dominion
(Texas), Inc., as
Administrative Agent,
and the Banks parties
thereto..... Filed herewith as Exhibit 10.2A

EXHIBIT NO.	DESCRIPTION OF DOCUMENT	EXHIBIT FILE NO.	PAGE NO.
10.2B	ATS Facility B Loan Agreement, dated as of June 16, 1998, by and among ATSLP and ATSI, as borrowers, and Toronto Dominion (Texas), Inc., and the Banks parties thereto.....	Filed herewith as Exhibit 10.2B	
10.3	First Amendment to Amended and Restated Loan Agreement, dated as of December 31, 1997, by and among ATSI, Toronto Dominion (Texas), Inc., as Administrative Agent and the Banks parties thereto	(*10.3)	
10.4	Assumption Agreement, dated as of January 22, 1998, by and among ATS, ATSI, American Tower Systems, L.P., a Delaware limited partnership, Toronto Dominion (Texas), Inc., as Administrative Agent and the Banks parties thereto.....	(*10.4)	
10.5	Asset Purchase Agreement, dated as of February 5, 1997, by and between ATSI and Meridian Radio Sites, a California general partnership ("Meridian Radio"). (Schedules and Exhibits omitted).....	(*10.5)	
10.6	First Amendment to Asset Purchase Agreement, dated as of February 10, 1997, by and between ATSI and Meridian Radio.....	(*10.6)	
10.7	Second Amendment to Asset Purchase Agreement, dated as of June 24, 1997, by and between ATSI and Meridian Radio.....	(*10.7)	
10.8	Asset Purchase Agreement, dated as of February 5, 1997, by and between ATSI and Meridian Sales and Services Company, a California corporation ("Meridian Sales"). (Schedules and Exhibits omitted).....	(*10.8)	
10.9	First Amendment to Asset Purchase Agreement, dated as of February 10, 1997, by and between ATSI and Meridian Sales.....	(*10.9)	
10.10	Second Amendment to Asset Purchase Agreement, dated as of June 24, 1997, by and between ATSI and Meridian Sales.....	(*10.10)	
10.11	Asset Purchase Agreement, dated as of February 5, 1997, by and between ATSI and Meridian Communications North, a California general partnership ("Meridian North"). (Schedules and Exhibits omitted).....	(*10.11)	
10.12	First Amendment to Asset Purchase Agreement, dated as of February 10, 1997, by and between ATSI and Meridian North.....	(*10.12)	
10.13	Second Amendment to Asset Purchase		

10.14 Agreement, dated as of
 June 24, 1997, by and
 between ATSI and
 Meridian North..... (*10.13)
 Asset Purchase
 Agreement, dated as of
 May 13, 1997, by and
 between ATSI and Towers
 L.L.C., a South Carolina
 limited liability
 company. (Schedules and
 Exhibits omitted, except
 for Employment
 Agreement)..... (*10.14)

EXHIBIT NO.	DESCRIPTION OF DOCUMENT	EXHIBIT FILE NO. PAGE NO.
10.15	Asset Purchase Agreement, dated as of May 21, 1997, by and between ATSI and B & E Associates, Inc., a Massachusetts corporation. (Schedules and Exhibits omitted).....	(*10.15)
10.16	Asset Purchase Agreement, dated as of May 21, 1997, by and between ATSI and DB Consultants, Inc., a Texas corporation. (Schedules and Exhibits omitted).....	(*10.16)
10.17	Asset Purchase Agreement, dated as of May 27, 1997, by and between ATSI and Communication Systems Development, Inc., a California corporation. (Schedules and Exhibits omitted).....	(*10.17)
10.18	Agreement of Limited Liability Company of Communication Systems Development, LLC, dated May 30, 1997, by and among ATSI and Communications Development Corporation, Inc., a California corporation.....	(*10.18)
10.19	Asset Purchase Agreement, dated as of June 25, 1997, by and between ATSI and Fernand E. Phaneuf, Jr. and Lorraine Phaneuf, being all of the shareholders of Tower Sites, Inc., d/b/a Tower Sites, Inc. a Connecticut corporation. (Schedules and Exhibits omitted).....	(*10.19)
10.20	Asset Purchase Agreement, dated as of July 8, 1997, by and between ATSI and Diablo Communications, Inc., a California corporation. (Schedules and Exhibits omitted).....	(*10.20)
10.21	Asset Purchase Agreement, dated as of July 8, 1997, by and between ATSI and Diablo Communications of Southern California, Inc., a California corporation. (Schedules and Exhibits omitted).....	(*10.21)
10.22	Asset Purchase Agreement, dated as of July 8, 1997, by and between ATS and Suburban Cable T.V. Co.....	(*10.22)
10.23	Asset Purchase Agreement, dated as of July 31, 1997, by and between ATSI and John C. Santangelo and Gerald Harkins, being all of the shareholders of Southeast Communications, Inc., and Southeast Communications, Inc., a Massachusetts corporation. (Schedules and Exhibits omitted).....	(*10.23)
10.24	Stock Purchase Agreement, date as of September 30, 1997, by and between ATSI, OPM-USA-INC., a Florida corporation ("OPM"), and the Stockholders of OPM. (Schedules and Exhibits omitted).....	(*10.24)
10.25	Asset Purchase Agreement, dated as of October 4, 1997, by and between ATSI and Tucson Communications Company, L.P., a California limited partnership. (Schedules and Exhibits omitted).....	(*10.25)
10.26	American Tower Systems Corporation 1997 Stock Option Plan, dated as of November 5, 1997, as amended and restated on April 28, 1998.....	(++10.26)
10.27	American Tower Systems Corporation Stock Purchase Agreement, dated as of January 8, 1998, by and among ATS and the Purchasers.....	(*10.27)

EXHIBIT NO.	DESCRIPTION OF DOCUMENT	EXHIBIT FILE NO.	PAGE NO.
10.28	Employment Agreement, dated as of January 22, 1988, by and between ATSI and J. Michael Gearon, Jr.....	(*10.28)	
10.29	Asset Purchase Agreement, dated as of January 23, 1998, by and among ATSI, Midcontinent Media, Inc., a South Dakota corporation ("Midcontinent"), Midcontinent Teleport Co., a South Dakota corporation and a wholly-owned subsidiary of Midcontinent ("MTC"), Wit Communications, Inc., a Delaware corporation and a wholly-owned subsidiary of MTC, and Washington International Teleport, Inc., a Delaware corporation and a wholly-owned subsidiary of Wit.....	(*10.29)	
10.30	ARS-ATS Separation Agreement, dated as of June 4, 1998 by and among American Radio Systems Corporation, a Delaware Corporation ("ARS"), ATS, and CBS Corporation	Filed herewith as Exhibit 10.30	
10.31	Securities Purchase Agreement, dated as of June 4, 1998, by and among ATS, Credit Suisse First Boston and each of the Purchasers named therein.....	Filed herewith as Exhibit 10.31	
10.32	Registration Rights Agreement, dated as of June 4, 1998, by and among ATS, Credit Suisse First Boston, Consec Life Insurance, American Travelers Life Insurance Co. and Great American Reserve Insurance Co. ..	Filed herewith as Exhibit 10.32	
10.33	Escrow Agreement, dated as of June 4, 1998, by and among ATS and Harris Trust and Savings Bank..	Filed herewith as Exhibit 10.33	
21	Subsidiaries of ATS.....	Filed herewith as Exhibit 21	
23.0	Consents of Sullivan & Worcester LLP.....	Contained in the opinion of Sullivan & Worcester LLP filed herewith as part (+5)	
23.1	Independent Auditor's Consents--Deloitte & Touche LLP.....	Filed herewith as Exhibit 23.1	
23.2	Consent of Pressman Ciocca Smith LLP.....	Filed herewith as Exhibit 23.2	
23.3	Consent of Ernst & Young LLP.....	Filed herewith as Exhibit 23.3	
24	Power of Attorney.....	Filed as page II-7 of the Registration Statement as originally filed on May 12, 1998	
27	Financial Data Schedule.....	(+27)	

SHARES

AMERICAN TOWER CORPORATION

CLASS A COMMON STOCK, PAR VALUE \$.01 PER SHARE

UNDERWRITING AGREEMENT

July __, 1998

Credit Suisse First Boston Corporation,
BT Alex. Brown Incorporated,
Lehman Brothers Incorporated,
Morgan Stanley & Co. Incorporated,
Bear, Stearns & Co. Inc.,
Merrill Lynch, Pierce, Fenner & Smith
Incorporated, and
Smith Barney, Inc.,

As Representatives of the Several Underwriters (the "Representatives"),
c/o Credit Suisse First Boston Corporation,
Eleven Madison Avenue
New York, N.Y. 10010-3629.

Dear Sirs:

1. Introductory. American Tower Corporation, formerly known as American Tower Systems Corporation, a Delaware corporation ("Company"), proposes to issue and sell _____ shares of its Class A Common Stock, par value \$.01 per share ("Class A Common Stock" or "Securities"), and the stockholders listed in Schedule A hereto and the stockholders listed in Schedule B hereto (collectively, "Selling Stockholders") propose severally to sell an aggregate of _____ outstanding shares of the Securities (such _____ shares of Securities being hereinafter referred to as the "Firm Securities"). The Company also proposes to sell to the Underwriters, at the option of the Underwriters, an aggregate of not more than _____ additional shares of its Securities, as set forth below (such _____ additional shares being hereinafter referred to as the "Optional Securities"). The Firm Securities and the Optional Securities are herein collectively called the "Offered Securities". The Company and the Selling Stockholders hereby agree with the several Underwriters named in Schedule C hereto ("Underwriters") as hereinafter set forth.

2. Representations and Warranties of the Company and the Selling Stockholders. (a) The Company represents and warrants to, and agrees with, the several Underwriters that:

(i) A registration statement (No. 333-52481) relating to the Offered Securities, including a form of prospectus, has been filed with the Securities and Exchange Commission ("Commission") and either (A) has been declared effective under the Securities Act of 1933 ("Act") and is not proposed to be amended or (B) is proposed to be amended by amendment or post-effective amendment. If such registration statement (the "initial registration statement") has been declared effective, either (A) an additional registration statement (the "additional registration statement") relating to the Offered Securities may have been filed with the Commission pursuant to Rule 462(b) ("Rule 462(b)") under the Act and, if so filed, has become effective upon filing pursuant to such Rule and the Offered Securities all have been duly registered under the Act pursuant to the initial registration statement and, if applicable, the additional registration statement or (B) such an additional registration statement is proposed to be filed with the Commission pursuant to Rule 462(b) and will become effective upon filing pursuant to such Rule and upon such filing the Offered Securities will all have been duly registered under the Act pursuant to the initial registration statement and such additional registration statement. If the Company does not propose to amend the initial registration statement or if an additional registration statement has been filed and the Company does not propose to amend it, and if any post-effective amendment to either such registration statement has been filed with the Commission prior to the execution and delivery of this Agreement, the most recent amendment (if any) to each such registration statement has been declared effective by the Commission or has become effective upon filing pursuant to Rule 462(c) ("Rule 462(c)") under the Act or, in the case of the additional registration statement, Rule 462(b). For purposes of this Agreement, "Effective Time" with respect to the initial registration statement or, if filed prior to the execution and delivery of this Agreement, the additional registration statement means (A) if the Company has advised the Representatives that it does not propose to amend such registration statement, the date and time as of which such registration statement, or the most recent post-effective amendment thereto (if any) filed prior to the execution and delivery of this Agreement, was declared effective by the Commission or has become effective upon filing pursuant to Rule 462(c), or (B) if the Company has advised the Representatives that it proposes to file an amendment or post-effective amendment to such registration statement, the date and time as of which such registration statement, as amended by such amendment or post-effective amendment, as the case may be, is declared effective by the Commission. If an additional registration statement has not been filed prior to the execution and delivery of this Agreement but the Company has advised the Representatives that it proposes to file one, "Effective Time" with respect to such additional registration statement means the date and time as of which such registration statement is filed and becomes effective pursuant to Rule 462(b). "Effective Date" with respect to the initial registration statement or the additional registration statement (if any) means the date of the Effective Time thereof. The initial registration statement, as amended at its Effective Time, including all information contained in the additional registration statement (if any) and deemed to be a part of the initial registration statement as of the Effective Time of the additional registration statement pursuant to the General Instructions of the Form on which it is filed and including all information (if any) deemed to be a part of the initial registration statement as of its Effective Time pursuant to Rule 430A(b) ("Rule 430A(b)") under the Act, is hereinafter referred to as the "Initial Registration Statement". The additional registration statement, as amended at its Effective Time, including the contents of the initial registration statement incorporated by reference therein and including all information (if any) deemed to be a part of the additional registration statement as of its Effective Time pursuant to Rule 430A(b), is hereinafter referred to as the "Additional Registration Statement".

The Initial Registration Statement and the Additional Registration Statement are hereinafter referred to collectively as the "Registration Statements" and individually as a "Registration Statement". The form of prospectus relating to the Offered Securities, as first filed with the Commission pursuant to and in accordance with Rule 424(b) ("Rule 424(b)") under the Act or (if no such filing is required) as included in a Registration Statement, is hereinafter referred to as the "Prospectus". No document has been or will be prepared or distributed in reliance on Rule 434 under the Act.

(ii) If the Effective Time of the Initial Registration Statement is prior to the execution and delivery of this Agreement: (A) on the Effective Date of the Initial Registration Statement, the Initial Registration Statement conformed in all material respects to the requirements of the Act and the rules and regulations of the Commission ("Rules and Regulations") and did not include any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, (B) on the Effective Date of the Additional Registration Statement (if any), each Registration Statement conformed, or will conform, in all material respects to the requirements of the Act and the Rules and Regulations and did not include, or will not include, any untrue statement of a material fact and did not omit, or will not omit, to state any material fact required to be stated therein or necessary to make the statements therein not misleading, and (C) on the date of this Agreement, the Initial Registration Statement and, if the Effective Time of the Additional Registration Statement is prior to the execution and delivery of this Agreement, the Additional Registration Statement each conforms, and at the time of filing of the Prospectus pursuant to Rule 424(b) or (if no such filing is required) at the Effective Date of the Additional Registration Statement in which the Prospectus is included, each Registration Statement and the Prospectus will conform, in all material respects to the requirements of the Act and the Rules and Regulations, and neither of such documents includes, or will include, any untrue statement of a material fact or omits, or will omit, to state any material fact required to be stated therein or necessary to make the statements therein not misleading. If the Effective Time of the Initial Registration Statement is subsequent to the execution and delivery of this Agreement: on the Effective Date of the Initial Registration Statement, the Initial Registration Statement and the Prospectus will conform in all material respects to the requirements of the Act and the Rules and Regulations, neither of such documents will include any untrue statement of a material fact or will omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading (in light of the circumstances under which it was made, in the case of the Prospectus), and no Additional Registration Statement has been or will be filed. The two preceding sentences do not apply to statements in or omissions from a Registration Statement or the Prospectus based upon written information furnished to the Company by any Underwriter through the Representatives specifically for use therein.

(iii) The Company has been duly incorporated and is an existing corporation in good standing under the laws of the State of Delaware, with power and authority (corporate and other) to own its properties and conduct its business as described in the Prospectus; and the Company is duly qualified to do business as a foreign corporation in good standing in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification.

(iv) Each subsidiary of the Company has been duly incorporated (or formed, as the case may be) and is an existing corporation (or limited partnership or limited liability company, as the case may be) in good standing under the laws of the jurisdiction of its incorporation or formation, with power and authority (corporate and other) to own its properties and conduct its business as described in the Prospectus; and each subsidiary of the Company is duly qualified to do business as a foreign corporation in good standing in all other jurisdictions in which its ownership or lease

of property or the conduct of its business requires such qualification except where failure to so qualify would not, individually or in the aggregate have a material adverse effect on the Company and its subsidiaries taken as a whole; all of the issued and outstanding capital stock (or partnership or other equity interests) of each subsidiary of the Company has been duly authorized and validly issued and is fully paid (except for any general partnership interest) nonassessable; and, except for the pledge pursuant to the Credit Agreements (as defined herein) as disclosed in the Prospectus, the capital stock (and partnership and other equity interests) of each subsidiary owned by the Company, directly or through subsidiaries, is owned free from liens, encumbrances and defects.

(v) The Offered Securities and all other outstanding shares of capital stock of the Company have been duly authorized and validly issued, are fully paid and nonassessable and conform to the description thereof contained in the Prospectus; the merger (the "ATC Merger") of American Tower Corporation, a Delaware corporation ("ATC") into the Company as described in the Prospectus has been consummated. The Offered Securities and all other outstanding shares of capital stock of the Company have been duly authorized; all outstanding shares of capital stock of the Company (including the Offered Securities being sold by the Selling Stockholders) are, and, when the Offered Securities being sold by the Company have been delivered and paid for in accordance with this Agreement on each Closing Date (as defined below), such Offered Securities will have been, validly issued, fully paid and nonassessable, and conform or will conform to the descriptions thereof contained in the Prospectus; and the stockholders of the Company do not and will not have any preemptive rights with respect to any of such securities.

(vi) Except as disclosed in the Prospectus, there are no contracts, agreements or understandings between the Company and any person that would give rise to a valid claim against the Company or any Underwriter for a brokerage commission, finder's fee or other like payment in connection with the offering of the Offered Securities.

(vii) Except as disclosed in the Prospectus, there are no contracts, agreements or understandings between the Company and any person granting such person the right to require the Company to file a registration statement under the Act with respect to any outstanding securities of the Company (that will remain outstanding after the Closing Date) owned or to be owned by such person or to require the Company to include such securities in the securities registered pursuant to a Registration Statement or in any securities being registered pursuant to any other registration statement filed by the Company under the Act.

(viii) The Securities, including the Offered Securities, have been approved for listing, subject in the case of the Offered Securities being sold by the Company, to notice of issuance, on the New York Stock Exchange ("NYSE").

(ix) No consent, approval, authorization, order or waiver of, or filing with, any governmental agency or body or any court is required to be obtained or made by the Company or any subsidiary of the Company for the consummation of the transactions contemplated by this Agreement in connection with the sale of the Offered Securities, except (i) such as have been obtained and made under the Act and (ii) such as may be required under state securities laws.

(x) The execution, delivery and performance of this Agreement and the consummation of the transactions herein contemplated will not, result in a breach or violation of any of the terms and provisions of, or constitute a default under, any statute, any rule, regulation, order or policy of any governmental agency or body or any court, domestic or foreign, having jurisdiction over the Company or any subsidiary of the Company or any of their properties, the Credit Agreements (as defined herein) or any other agreement or instrument to which the Company or any such subsidiary is a party or by which the Company or any such subsidiary is bound, or to which any of the

properties of the Company or any such subsidiary is subject, or the charter or by-laws (or other constituent document) of the Company or any such subsidiary.

(xi) This Agreement has been duly authorized, executed and delivered by the Company.

(xii) Except as disclosed in the Prospectus or as would not, individually or in the aggregate have a material adverse effect on the Company or its subsidiaries taken as a whole, the Company and its subsidiaries have good and marketable title to all real properties and all other properties and assets owned by them, in each case free from liens, encumbrances and defects that would materially affect the value thereof or materially interfere with the use made or to be made thereof by them; and except as disclosed in the Prospectus, the Company and its subsidiaries hold any leased real or personal property under valid and enforceable leases with no exceptions that would materially interfere with the use made or to be made thereof by them.

(xiii) No labor dispute with the employees of the Company or any subsidiary exists or, to the knowledge of the Company, is imminent that might have a material adverse effect on the Company and its subsidiaries taken as a whole.

(xiv) The Company and its subsidiaries own, possess or can acquire on reasonable terms, adequate trademarks, trade names and other rights to inventions, know-how, patents, copyrights, confidential information and other intellectual property (collectively, "intellectual property rights") necessary to conduct the business now operated by them, or presently employed by them, and have not received any notice of infringement of or conflict with asserted rights of others with respect to any intellectual property rights that, if determined adversely to the Company or any of its subsidiaries, would individually or in the aggregate have a material adverse effect on the Company and its subsidiaries taken as a whole.

(xv) Neither the Company nor any of its subsidiaries is in violation of any statute, any rule, regulation, decision or order of any governmental agency or body or any court, domestic or foreign, relating to the use, disposal or release of hazardous or toxic substances or relating to the protection or restoration of the environment or human exposure to hazardous or toxic substances (collectively, "environmental laws"), owns or operates any real property contaminated with any substance that is subject to any environmental laws, is liable for any off-site disposal or contamination pursuant to any environmental laws, or is subject to any claim relating to any environmental laws, which violation, contamination, liability or claim would individually or in the aggregate have a material adverse effect on the Company and its subsidiaries taken as a whole; and the Company is not aware of any pending investigation which might lead to such a claim.

(xvi) There are no pending actions, suits or proceedings against or affecting the Company, any of its subsidiaries or any of their respective properties that, if determined adversely to the Company or any of its subsidiaries, would individually or in the aggregate have a material adverse effect on the condition (financial or other), business, prospects or results of operations of the Company and its subsidiaries taken as a whole, or would materially and adversely affect the ability of the Company to perform its obligations under this Agreement, or which are otherwise material in the context of the sale of the Offered Securities; and, except as disclosed in the Prospectus, no such actions, suits or proceedings are threatened or, to the Company's knowledge, contemplated.

(xvii) The financial statements included in the Registration Statements and Prospectus present fairly the financial position of the Company and its consolidated subsidiaries and the other entities named therein as of the dates shown and their results of operations and cash flows for the periods shown, and such financial statements have been prepared in conformity with the generally accepted accounting principles in the United States applied on a consistent basis; and the schedules included in the Registration Statements present fairly the information required to be stated therein.

(xviii) Except as disclosed in the Prospectus, since the date of the latest audited financial statements included in the Prospectus there has been no material adverse change, nor any development or event involving a prospective material adverse change, in the condition (financial or other), business, properties or results of operations of the Company and its subsidiaries taken as a whole, and, except as disclosed in or contemplated by the Prospectus, there has been no dividend or distribution of any kind declared, paid or made by the Company on any class of its capital stock.

(xix) The Company is not and, after giving effect to the offering and sale of the Offered Securities and the application of the proceeds thereof as described in the Prospectus, will not be an "investment company" as defined in the Investment Company Act of 1940.

(b) Each Selling Stockholder severally represents and warrants to, and agrees with, the several Underwriters that:

(i) Such Selling Stockholder has and on the First Closing Date hereinafter mentioned will have valid and unencumbered title to the Offered Securities to be delivered by such Selling Stockholder on such Closing Date and full right, power and authority to enter into this Agreement and to sell, assign, transfer and deliver the Offered Securities to be delivered by such Selling Stockholder on such Closing Date hereunder; and upon the delivery of and payment for the Offered Securities on such Closing Date hereunder the several Underwriters will acquire valid and unencumbered title to the Offered Securities to be delivered by such Selling Stockholder on such Closing Date.

(ii) All information furnished, or to be furnished, in writing to the Company by the Selling Stockholder regarding the Selling Stockholder specifically for use in the Registration Statement is on the date of this Agreement, and will be on the Closing Date, true and correct in all material respects and does not on the date of this Agreement, and will not on the Closing Date, contain any untrue statement of a material fact or omit any material fact required to be stated therein or necessary to make the statements therein not misleading.

(iii) The execution, delivery and performance of this Agreement by such Selling Stockholder, the sale by such Selling Stockholder of the Offered Securities to be sold by such Selling Stockholder and the consummation by such Selling Stockholder of the transactions contemplated by this Agreement will not result in a breach or violation of any of the terms or provisions of, or constitute a default under, any statute, rule, regulation or order of any governmental agency or body or any court having jurisdiction over such Selling Stockholder or any of its properties, or any agreement or instrument to which such Selling Stockholder is a party or by which it is bound or to which any of its properties is subject, or the constituent documents, if any, of such Selling Stockholder.

(iv) No consent, approval, authorization, order or waiver of, or filing with, any governmental agency or body or any court is required to be obtained or made by such Selling Stockholder for the sale of the Offered Securities to be sold by such Selling Stockholder or the

consummation of the transactions contemplated by the power of attorneys or related Custody Agreements or this Agreement, except such as have been obtained and made under the Act.

3. Purchase, Sale and Delivery of Offered Securities. On the basis of the representations, warranties and agreements herein contained, but subject to the terms and conditions herein set forth, the Company and each Selling Stockholder agree, severally and not jointly, to sell to each Underwriter, and each Underwriter agrees, severally and not jointly, to purchase from the Company and each Selling Stockholder, at a purchase price of \$_____ per share, that number of Firm Securities (rounded up or down, as determined by Credit Suisse First Boston Corporation ("CSFBC") in its discretion, in order to avoid fractions) obtained by multiplying 20,000,000 Firm Securities in the case of the Company and the number of Firm Securities set forth opposite the name of such Selling Stockholder in Schedule A hereto, in the case of a Selling Stockholder, in each case by a fraction the numerator of which is the number of Firm Securities set forth opposite the name of such Underwriter in Schedule B hereto and the denominator of which is the total number of Firm Securities.

Certificates in negotiable form for any Common Stock of the Company to be sold by Selling Stockholders hereunder have been placed in custody, for delivery under this Agreement, under custody agreements (the "Custody Agreements") made with Harris Trust and Savings Bank, as custodian (the "Custodian"). Each Selling Stockholder agrees that the shares represented by the certificates held in custody for the Selling Stockholders under the Custody Agreements are subject to the interests of the Underwriters hereunder, that the arrangements made by the Selling Stockholders for such custody are to that extent irrevocable, and that the obligations of the Selling Stockholders hereunder shall not be terminated by operation of law, whether by the death of any individual Selling Stockholder or the occurrence of any other event, or in the case of a trust, by the death of any trustee or trustees or the termination of such trust, or in the case of a corporation or partnership, by the dissolution or liquidation of such corporation or partnership, or the occurrence of any other event. If any individual Selling Stockholder or any such trustee or trustees should die, or if any such corporation or partnership should be dissolved or liquidated or if any other such event should occur, or if any of such trusts should terminate, before the delivery of the Offered Securities hereunder, certificates for such Offered Securities shall be delivered by the Custodian in accordance with the terms and conditions of this Agreement and the Custody Agreements as if such death, dissolution, liquidation or other event or termination had not occurred, regardless of whether or not the Custodian shall have received notice of such death, dissolution, liquidation or other event or termination.

The Company and the Custodian will deliver the Firm Securities to the Representatives for the accounts of the Underwriters, against payment of the purchase price in Federal (same day) Funds by wire transfer in U.S. Dollars to an account at a bank acceptable to CSFBC drawn to the order of the Company in the case of _____ shares of Firm Securities and to the order of the Custodian in the case of _____ shares of Firm Securities, at the office of Sullivan & Cromwell, 125 Broad Street, New York, New York at 9:30 A.M., New York time, July __, 1998 or at such other date and time not later than seven full business days thereafter as CSFBC and the Company determine, such time being herein referred to as the "First Closing Date." The certificates for the Firm Securities so to be delivered will be in definitive form, in such denominations and registered in such names as CSFBC requests and will be made available for checking and packaging at the New York office of Harris Trust and Savings Bank at least 24 hours prior to the First Closing Date.

In addition, upon written notice from CSFBC given to the Company from time to time not more than thirty days subsequent to the date of the Prospectus, the Underwriters may purchase all or less than all of the Optional Securities at the purchase price per share to be paid for the Firm Securities. The Company agrees to sell to the Underwriters the number of Optional Securities specified in such notice and

the Underwriters agree, severally and not jointly, to purchase such Optional Securities. Such Optional Securities shall be purchased for the account of each Underwriter in the same proportion as the number of Firm Securities set forth opposite such Underwriter's name bears to the total number of Firm Securities (subject to adjustment by CSFBC to eliminate fractions) and may be purchased by the Underwriters only for the purpose of covering over-allotments made in connection with the sale of the Firm Securities. No Optional Securities shall be sold or delivered unless the Firm Securities previously have been, or simultaneously are, sold and delivered. The right to purchase the Optional Securities or any portion thereof may be exercised from time to time and to the extent not previously exercised may be surrendered and terminated at any time upon notice by CSFBC to the Company.

Each time for the delivery of and payment for the Optional Securities, being herein referred to as an "Optional Closing Date", which may be the First Closing Date (the First Closing Date and each Optional Closing Date, if any, being sometimes referred to as a "Closing Date"), shall be determined by CSFBC but shall not be later than seven full business days after written notice of election to purchase Optional Securities is given. The Company will deliver the Optional Securities being purchased on each Optional Closing Date to the Representatives for the accounts of the several Underwriters, against payment of the purchase price therefor in Federal (same day) Funds by wire transfer to an account at a bank acceptable to CSFBC drawn to the order of the Company, at the above office of Sullivan & Cromwell. The certificates for the Optional Securities being purchased on each Optional Closing Date will be in definitive form, in such denominations and registered in such names as CSFBC requests upon reasonable notice prior to such Optional Closing Date and will be made available for checking and packaging at the New York office of Harris Trust and Savings Bank at a reasonable time in advance of such Optional Closing Date.

4. Offering by Underwriters. It is understood that the several Underwriters propose to offer the Offered Securities for sale to the public as set forth in the Prospectus.

5. Certain Agreements of the Company and the Selling Stockholders. The Company agrees with the several Underwriters and the Selling Stockholders that:

(a) The Company will file the Prospectus with the Commission pursuant to and in accordance with subparagraph (1) (or, if applicable and if consented to by CSFBC, subparagraph (4)) of Rule 424(b) not later than the earlier of (A) the second business day following the execution and delivery of this Agreement or (B) the fifteenth business day after the Effective Date of Registration Statement No. 333-52481.

The Company will advise CSFBC promptly of any such filing pursuant to Rule 424(b).

(b) The Company will advise CSFBC promptly of any proposal to amend or supplement the initial or any additional registration statement as filed or the related prospectus or the Initial Registration Statement, the Additional Registration Statement (if any) or the Prospectus and will not effect such amendment or supplementation without CSFBC's consent; and the Company will also advise CSFBC promptly of any amendment or supplementation of a Registration Statement or of the Prospectus and of the institution by the Commission of any stop order proceedings in respect of a Registration Statement and will use its best efforts to prevent the issuance of any such stop order and to obtain as soon as possible its lifting, if issued.

(c) If, at any time when a prospectus relating to the Offered Securities is required to be delivered under the Act in connection with sales by any Underwriter or dealer, any event occurs as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary to make the statements

therein, in the light of the circumstances under which they were made, not misleading, or if it is necessary at any time to amend the Prospectus to comply with the Act, the Company will promptly notify CSFBC of such event and will promptly prepare and file with the Commission, at its own expense, an amendment or supplement that will correct such statement or omission or an amendment that will effect such compliance. Neither CSFBC's consent to, nor the Underwriters' delivery of, any such amendment or supplement shall constitute a waiver of any of the conditions set forth in Section 6.

(d) [reserved]

(e) As soon as practicable, but not later than the Availability Date (as defined below), the Company will make generally available to its securityholders an earnings statement covering a period of at least 12 months beginning after the Effective Date of Registration Statement No. 333-52481 which will satisfy the provisions of Section 11(a) of the Act. For the purpose of the preceding sentence, "Availability Date" means the 45th day after the end of the fourth fiscal quarter following the fiscal quarter that includes the Effective Date, except that, if such fourth fiscal quarter is the last quarter of the Company's fiscal year, "Availability Date" means the 90th day after the end of such fourth fiscal quarter.

(f) The Company will furnish to the Representatives copies of each Registration Statement (seven of which will be signed, or will be photocopies of signed ones in the case of Registration Statement No. 333-52481, and will include all exhibits), each related preliminary prospectus and, so long as delivery of a prospectus relating to the Offered Securities is required to be delivered under the Act in connection with sales by any Underwriter or dealer, the Prospectus and all amendments and supplements to such documents, in each case as soon as available and in such quantities as CSFBC requests. The Company will pay the expenses of printing and distributing to the Underwriters all such documents.

(g) The Company will arrange for the qualification of the Offered Securities for sale under the laws of such jurisdictions as CSFBC designates and will continue such qualifications in effect so long as required for the distribution; provided, that the Company shall not be required to qualify as a foreign corporation or to file a general consent to service of process or to subject itself to taxation generally in any jurisdiction.

(h) During the period of five years hereafter, the Company will furnish to the Representatives and, upon request, to each of the other Underwriters, as soon as practicable after the end of each fiscal year, a copy of its annual report to stockholders for such year; and the Company will furnish to the Representatives (i) as soon as available, a copy of each report and any definitive proxy statement of the Company filed with the Commission under the Securities Exchange Act of 1934 or mailed to stockholders, and (ii) from time to time, such other information concerning the Company as CSFBC may reasonably request.

(i) For a period of 120 days after the date of the initial public offering of the Offered Securities, the Company will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, or file with the Commission a registration statement under the Act relating to, any additional shares of its Securities, or securities convertible into or exchangeable or exercisable for any Securities, or disclose the intention to make any such offer, sale, pledge, disposal or filing, without the prior written consent of CSFBC, except with respect to private issuances of Securities (or securities convertible into or exchangeable for Securities) or in connection with acquisitions, if the holders thereof agree to be bound by the foregoing 120-day restriction to the same extent as the Company, grants of employee stock options pursuant to the terms of a plan in effect on the date

hereof, issuances of Securities pursuant to the exercise of stock options outstanding on the date hereof or granted pursuant to the terms of a plan in effect on the date hereof, issuances of Securities pursuant to any dividend reinvestment plan of the Company or issuances of Securities upon conversion of Class B Common Stock or Class C Common Stock.

(j) The Company will apply the proceeds to it from the sale of the Offered Securities as described in the Prospectus.

The Company and each Selling Stockholder agree with the several Underwriters that the Company will pay all expenses incident to the performance of the obligations of the Company and the Selling Stockholders under this Agreement, and will reimburse the Underwriters (if and to the extent incurred by them) for any filing fees and other expenses (including fees and disbursements of counsel) incurred by them in connection with qualification of the Offered Securities for sale under the laws of such jurisdictions as CSFBC designates and the printing of memoranda relating thereto, for the filing fee of the National Association of Securities Dealers, Inc. relating to the Offered Securities, for any travel expenses of the Company's officers and employees and any other expenses of the Company in connection with attending or hosting meetings with prospective purchasers of the Offered Securities, for any transfer taxes on the sale by the Selling Stockholders of the Offered Securities to the Underwriters (the Selling Stockholders being responsible for the payment of any of such transfer taxes) and for expenses incurred in distributing preliminary prospectuses and the Prospectus (including any amendments and supplements thereto) to the Underwriters.

Each Selling Stockholder agrees to deliver to CSFBC, attention: Transactions Advisory Group, on or prior to the First Closing Date a properly completed and executed United States Treasury Department Form W-9 (or other applicable form or statement specified by Treasury Department regulations in lieu thereof).

Each Selling Stockholder agrees, for a period of 120 days after the date of the initial public offering of the Offered Securities, not to offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any additional shares of Securities (or securities convertible into or exchangeable or exercisable for any securities), or disclose the intention to make any such offer, sale, pledge or disposal, without the prior written consent of CSFBC, [except as otherwise contemplated under that certain "lock-up" letter dated June __, 1998 delivered by such Selling Stockholder to the Company and the Representatives].

6. Conditions of the Obligations of the Underwriters. The obligations of the several Underwriters to purchase and pay for the Firm Securities on the First Closing Date and the Optional Securities to be purchased on each Optional Closing Date will be subject to the accuracy of the representations and warranties on the part of the Company and the Selling Stockholders herein, to the accuracy of the statements of Company officers made pursuant to the provisions hereof, to the performance by the Company and the Selling Stockholders of their obligations hereunder and to the following additional conditions precedent:

(a) The Representatives shall have received a letter, dated the date of delivery thereof (which shall be on or prior to the date of this Agreement), of Deloitte & Touche LLP confirming that they are independent public accountants within the meaning of the Act and the applicable published Rules and Regulations thereunder and stating in effect that:

(i) in their opinion the financial statements and schedules examined by them and included in the Registration Statements comply in form in all material respects with the applicable accounting requirements of the Act and the related published Rules and Regulations;

(ii) they have performed the procedures specified by the American Institute of Certified Public Accountants for a review of interim financial information as described in Statement of Auditing Standards No. 71, Interim Financial Information, on the unaudited financial statements included in the Registration Statements;

(iii) on the basis of the review referred to in clause (ii) above, a reading of the latest available interim consolidated financial statements of the Company, inquiries of officials of the Company who have responsibility for financial and accounting matters and other specified procedures, nothing came to their attention that caused them to believe that:

(A) the selected combined financial data included in the Prospectus for each of the three years ended December 31, 1997 do not agree with, or were not properly derived from, the amounts set forth in each of the constituent companies' selected financial data included in the Prospectus for those same periods;

(B) the selected financial data included in the Prospectus for each of the three years ended December 31, 1997 do not agree with, or were not properly derived from, the amounts set forth in the audited financial statements of the Company for those same periods or were not determined on a basis substantially consistent with that of the corresponding amounts in the audited financial statements included in the Prospectus;

(C) the unaudited financial statements included in the Registration Statements do not comply in form in all material respects with the applicable accounting requirements of the Act and the related published Rules and Regulations or any material modifications should be made to such unaudited financial statements for them to be in conformity with generally accepted accounting principles;

(D) the unaudited consolidated financial statements for the three month periods ended March 31, 1998 and March 31, 1997 included in the Prospectus do not agree with the amounts set forth in the unaudited financial statements for those same periods or were not determined on a basis substantially consistent with that of the audited consolidated financial statements; at the date of the latest available balance sheet read by such accountants, or at a subsequent specified date not more than five days prior to the date of this Agreement, there was any change in the capital stock or any increase in short-term debt or long-term debt of the Company and its consolidated subsidiaries or, at the date of the latest available balance sheet read by such accountants, there was any decrease in consolidated net current assets or net assets, as compared with amounts shown on the latest balance sheet included in the Prospectus;

(E) for the period from the closing date of the latest statement of operations included in the Prospectus to the closing date of the latest available statement of operations read by such accountants there were any decreases, as compared with the corresponding period of the previous year and with the period of corresponding length ended the date of the latest Consolidated Statement of Operations included in the Prospectus, in consolidated net revenues, operating income (defined as net revenues less operating expenses, excluding depreciation, amortization and corporate expenses) or in other income and expense, net, or in the total or per share amounts of consolidated net income; or

(F) the pro forma financial data set forth in the Prospectus does not comply in form in all material respects to the applicable accounting requirements of the Act and the related Rules and Regulations or the pro forma adjustments have not been properly applied to the historical amounts in the compilation of that data;

except in all cases set forth in clauses (D) and (E) above for changes, increases or decreases which the Prospectus discloses have occurred or may occur or which are described in such letter; and

(iv) they have compared specified dollar amounts (or percentages derived from such dollar amounts) and other financial information contained or incorporated by reference in the Registration Statements (in each case to the extent that such dollar amounts, percentages and other financial information are derived from the general accounting records of the Company, its subsidiaries and other entities whose financial statements are included in the Prospectus subject to the internal controls of the Company's or such entities' accounting system or are derived directly from such records by analysis or computation) with the results obtained from inquiries, a reading of such general accounting records and other procedures specified in such letter and have found such dollar amounts, percentages and other financial information to be in agreement with such results, except as otherwise specified in such letter.

(b) The Representatives shall have received letters, dated the date of delivery thereof (which shall be on or prior to the date of this Agreement), of Pressman Ciocca Smith LLP, Rooney, Ida, Nolt & Ahern, KPMG Peat Marwick LLP and Ernst & Young LLP, in each case confirming that they are independent public accountants within the meaning of the Act and the applicable Rules and Regulations thereunder, and stating in effect that:

(i) in their opinion the financial statements and schedules examined by them and included in the Registration Statements comply in form in all material respects with the applicable accounting requirements of the Act and the related published Rules and Regulations; and

(ii) they have compared specified dollar amounts (or percentages derived from such dollar amounts) and other financial information contained in the Registration Statements (in each case to the extent that such dollar amounts, percentages and other financial information are derived from the general accounting records of the entity whose financial statements they have audited subject to the internal controls of such entity's accounting system or are derived directly from such records by analysis or computation) with the results obtained from inquiries, a reading of such general accounting records and other procedures specified in such letter and have found such dollar amounts, percentages and other financial information to be in agreement with such results, except as otherwise specified in such letter.

(c) The Prospectus shall have been filed with the Commission in accordance with the Rules and Regulations and Section 5(a) of this Agreement. Prior to such Closing Date, no stop order suspending the effectiveness of either Registration Statement shall have been issued and no proceedings for that purpose shall have been instituted or, to the knowledge of any Selling Stockholder, the Company or the Representatives, shall be contemplated by the Commission.

(d) Subsequent to the execution and delivery of this Agreement, there shall not have occurred (i) any change, or any development or event involving a prospective change, in the

condition (financial or other), business, properties or results of operations of the Company or any of its subsidiaries which, in the judgment of a majority in interest of the Underwriters including the Representatives, is material and adverse and makes it impractical or inadvisable to proceed with completion of the public offering or the sale of and payment for the Offered Securities; (ii) any downgrading in the rating of any debt securities of the Company, by any "nationally recognized statistical rating organization" (as defined for purposes of Rule 436(g) under the Act), or any public announcement that any such organization has under surveillance or review its rating of any debt securities of the Company (other than an announcement with positive implications of a possible upgrading, and no implication of a possible downgrading, of such rating); (iii) any suspension or limitation of trading in securities generally on the New York Stock Exchange, or any setting of minimum prices for trading on such exchange, or any suspension of trading of any securities of the Company on any exchange or in the over-the-counter market; (iv) any banking moratorium declared by Federal or New York authorities; or (v) any outbreak or escalation of major hostilities in which the United States is involved, any declaration of war by Congress or any other substantial national or international calamity or emergency if, in the judgment of a majority in interest of the Underwriters including the Representatives, the effect of any such outbreak, escalation, declaration, calamity or emergency makes it impractical or inadvisable to proceed with completion of the public offering or the sale of and payment for the Offered Securities.

(e) The Representatives shall have received an opinion, dated such Closing Date, of Sullivan & Worcester LLP counsel for the Company, to the effect that:

(i) Each of the Company and the subsidiaries listed on Annex I hereto has been duly incorporated (or formed, as the case may be) and each of the Company and its subsidiaries is an existing corporation (or limited partnership or limited liability company, as the case may be) in good standing under the laws of the jurisdiction of its incorporation or formation, with corporate, partnership or limited liability company power and authority to own its properties and conduct its business as described in the Prospectus, and is duly qualified to do business as a foreign corporation (or other entity) in good standing in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification, except where the failure to be so qualified would not individually or in the aggregate have a material adverse effect on the Company and its subsidiaries taken as a whole;

(ii) Each of the ATC Merger, and the merger of a wholly-owned subsidiary of CBS Corporation with and into American Radio Systems Corporation has previously become effective;

(iii) The Offered Securities delivered on such Closing Date and all other outstanding shares of all classes of the capital stock of the Company have been duly authorized and validly issued, are fully paid and nonassessable and conform to the description thereof contained in the Prospectus under the caption "Description of Capital Stock"; and the stockholders of the Company have no preemptive rights with respect to the Offered Securities;

(iv) Except as described in the Prospectus, there are no contracts, agreements or understandings known to such counsel between the Company and any person granting such person the right to require the Company to file a registration statement under the Act with respect to any securities of the Company owned or to be owned by such person or to require the Company to include such securities in the securities registered pursuant to the

Registration Statement or in any securities being registered pursuant to any other registration statement filed by the Company under the Act;

(v) Each of the Credit Agreements, each dated as of June 16, 1998, among the Company, American Tower Systems (Delaware), Inc. and American Tower Systems L.P., respectively, Toronto Dominion (Texas) Inc., as Administrative Agent, and the other lenders under each such agreement, (collectively, the "Credit Agreements") has been duly authorized, executed and delivered by the Company and its subsidiaries party thereto and, constitutes a valid and legally binding obligation of the Company and its subsidiaries party thereto, as the case may be, enforceable in accordance with its terms against the Company and its subsidiaries thereto, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws of general applicability relating to or affecting creditors' rights and to general equity principles;

(vi) No consent, approval, authorization, order or waiver of, or filing with, any governmental agency or body or any court is required to be obtained or made by the Company for the consummation of the transactions contemplated by this Agreement in connection with the sale of the Offered Securities, except such as have been obtained or made under the Act or under state securities laws or such as may be required under the Communications Act of 1934, as amended (the "Communications Act") (as to which such counsel need express no opinion);

(vii) The execution, delivery and performance of this Agreement and the consummation of the transactions herein or therein contemplated will not result in a breach or violation of any of the terms and provisions of, or constitute a default under, any statute, any rule, regulation or order of any governmental agency or body or any court having jurisdiction over the Company, or any subsidiary of the Company or any of their properties, or, to such counsel's knowledge, any agreement or instrument to which the Company or any subsidiary of the Company is a party or by which the Company or any subsidiary of the Company is bound including, but not limited to, the Credit Agreements, and the Registration Rights Agreement, dated as of January 22, 1998, among the Company and the stockholders named therein, or to which any of the properties of the Company or any subsidiary of the Company is subject, or the charter or by-laws or other constituent document of the Company or any subsidiary of the Company, except that such counsel need not express any opinion with respect to the Communications Act or the rules, regulations and orders of the Federal Communications Commission (the "FCC") promulgated thereunder;

(viii) Registration Statement No. 333-52481 was declared effective under the Act as of the date and time specified in such opinion, Registration Statement No. 333-52481, satisfying the requirements of Rule 462(b), was filed and became effective under the Act as of the date and (if determinable) time specified in such opinion, the Prospectus was filed with the Commission pursuant to the subparagraph of Rule 424(b) specified in such opinion on the date specified therein or was included in the Initial Registration Statement or the Additional Registration Statement (as the case may be), and, to the best of the knowledge of such counsel, no stop order suspending the effectiveness of a Registration Statement or any part thereof has been issued and no proceedings for that purpose have been instituted or are pending or contemplated under the Act, and each Registration Statement and the Prospectus, and each amendment or supplement thereto, as of their respective effective or issue dates, complied as to form in all material respects with the requirements of the Act

and the Rules and Regulations; such counsel have no reason to believe that any part of a Registration Statement or any amendment thereto, as of its effective date or as of such Closing Date, contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein not misleading; or that the Prospectus or any amendment or supplement thereto, as of its issue date or as of such Closing Date, contained any untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; the descriptions in each Registration Statement and the Prospectus of statutes, legal and governmental proceedings and contracts and other documents are accurate in all material respects and fairly present the information required to be shown; and such counsel do not know of any legal or governmental proceedings required to be described in either Registration Statement or the Prospectus which are not described as required or of any contracts or documents of a character required to be described in either Registration Statement or the Prospectus or to be filed as exhibits to either Registration Statement which are not described and filed as required; it being understood that such counsel need express no opinion as to the financial statements and schedules or other financial data contained in either Registration Statement or the Prospectus, except that such counsel need not express any opinion with respect to the Communications Act or the rules, regulations and orders of the FCC promulgated thereunder; and

(ix) This Agreement has been duly authorized, executed and delivered by the Company.

(f) The Representatives shall have received an opinion, dated such Closing Date, of Dow, Lohnes & Albertson, FCC counsel to the Company, to the effect that:

(i) No consent, approval, authorization, order or waiver of, or filing with, the FCC is required under the Communications Act and the published policies, rules and regulations of the FCC to be obtained or made by the Company or any subsidiary of the Company for the consummation of the transactions described in the Prospectus as necessary to effectuate the issuance of the Offered Securities to be sold by the Company, the sale of the Offered Securities by the Company and the Selling Stockholders, the public offering thereof by the Underwriters and the execution, delivery and performance of the Underwriting Agreement (provided that such counsel shall not be required to undertake any examination of, or to opine with respect to, the qualifications or ownership interests of the stockholders of the Company or of any parties that may purchase securities in connection with such transaction);

(ii) The execution, delivery and performance of this Agreement, the issuance of the Offered Securities to be sold by the Company, the sale of the Offered Securities by the Company and the Selling Stockholders and the public offering thereof by the Underwriters, do not and will not violate any of the terms or provisions of, or constitute a default under (i) the Communications Act or any FCC regulation, rule policy or order, (ii) the FCC licenses held by the Company or any subsidiary of the Company (provided that such counsel shall not be required to undertake any examination of, or to opine with respect to, the qualifications or ownership interests of the stockholders of the Company or of any parties that may purchase securities in connection with such transaction);

(iii) To the knowledge of such counsel, (A) there are no administrative or judicial proceedings pending before, or threatened by, the FCC with respect to the Company or any subsidiary of the Company, or any towers owned or operated by the Company or any subsidiary of the Company which, if determined adversely, individually or in the aggregate, could reasonably be expected to have a material adverse effect upon the Company and its subsidiaries taken on a whole, and (B) the registration with the FCC of such towers is in full force and effect in that such registration is held by a subsidiary of the Company, is currently effective and is not subject to any special conditions (other than those conditions of a type customarily imposed under the general rules, regulations and policies of the FCC) that would materially and adversely affect the operation of such towers, taken as a whole, as currently operated.

(g) The Representatives shall have received an opinion, of counsel each of the Selling Stockholders as contemplated by and dated the date of the Power of Attorney and the opinion of such counsel substantially to the effect that each Selling Stockholder had valid and unencumbered title to the Offered Securities delivered by such Selling Stockholder on such Closing Date and had full right, power and authority to sell, assign, transfer and deliver the Offered Securities to be delivered by such Selling Stockholder on such Closing Date hereunder; and the several Underwriters have acquired valid and unencumbered title to the Offered Securities purchased by them from the Selling Stockholders hereunder.

(h) The Representatives shall have received from Sullivan & Cromwell, counsel for the Underwriters, such opinion or opinions, dated such Closing Date, with respect to the incorporation of the Company, the validity of the Offered Securities delivered on such Closing Date, the Registration Statements, the Prospectus and other related matters as the Representatives may require, and the Company shall have furnished to such counsel such documents as they request for the purpose of enabling them to pass upon such matters.

(i) The Representatives shall have received a certificate, dated such Closing Date, of the Chief Executive Officer of the Company and the Chief Financial Officer of the Company in which such officers, to the best of their knowledge after reasonable investigation, shall state that the representations and warranties of the Company in this Agreement are true and correct, that the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied hereunder at or prior to such Closing Date, that no stop order suspending the effectiveness of any Registration Statement has been issued and no proceedings for that purpose have been instituted or are contemplated by the Commission, that, subsequent to the date of the most recent financial statements in the Prospectus, there has been no material adverse change, nor any development or event involving a prospective material adverse change, in the condition (financial or other), business, properties or results of operations of the Company and its subsidiaries taken as a whole except as set forth in or contemplated by the Prospectus or as described in such certificate, and that any additional Registration Statement was filed pursuant to Rule 462(b) under the Act, including payment of the applicable filing fee in accordance with Rule 111(a); such registration statement satisfied the requirements of subparagraphs (1) and (3) of Rule 462(b); such registration statement was filed prior to the time the Prospectus was printed and distributed; and no document has been prepared or distributed in reliance on Rule 434 under the Act.

(j) The Representatives shall have received letters, dated such Closing Date, of Deloitte & Touche LLP, Pressman Ciocca Smith LLP, Rooney, Ida, Nolt & Ahern, KPMG Peat Marwick LLP and Ernst & Young LLP which meets the requirements of subsections (a) and (b),

respectively, of this Section, except that the specified date referred to in such subsections will be a date not more than five days prior to such Closing Date for the purposes of this subsection.

(k) The Securities to be delivered on such Closing Date shall have been approved for listing on NYSE, subject, in the case of Offered Securities being sold by the Company, only to official notice of issuance.

The Selling Stockholders and the Company will furnish the Representatives with such conformed copies of such opinions, certificates, letters and documents as the Representatives reasonably request. CSFBC may in its sole discretion waive on behalf of the Underwriters compliance with any conditions to the obligations of the Underwriters hereunder, whether in respect of an Optional Closing Date or otherwise.

7. Indemnification and Contribution. (a) The Company will indemnify and hold harmless each Underwriter against any losses, claims, damages or liabilities, joint or several, to which such Underwriter may become subject, under the 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, the Prospectus, or any amendment or supplement thereto, or any related preliminary prospectus, 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 Underwriter for any legal or other expenses reasonably incurred by such Underwriter in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred; provided, however, that the Company will not be liable in any such case 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 in or omission or alleged omission from any of such documents in reliance upon and in conformity with written information furnished to the Company by any Underwriter through the Representatives specifically for use therein. The foregoing indemnity agreement with respect to any untrue statement or omission in the Preliminary Prospectus shall not inure to the benefit of any Underwriter from whom the person asserting any such losses, claims, damages or liabilities purchased the Offered Securities if a copy of the Prospectus (as then amended or supplemented if the Company shall have furnished any amendments or supplements thereto) was not sent or given by or on behalf of such Underwriter to such person at or prior to the written confirmation of the sale of the Offered Securities to such person, and the Prospectus (as amended or supplemented) would have cured the defect giving rise to such losses, claims, damages or liabilities.

(b) Each Selling Stockholder, severally and not jointly, will indemnify and hold harmless each Underwriter against any losses, claims, damages or liabilities to which such Underwriter may become subject, under the 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, the Prospectus, or any amendment or supplement thereto, or any related preliminary prospectus, 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 Underwriter for any legal or other expenses reasonably incurred by such Underwriter in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred; provided, however, that the Selling Stockholders will not be liable in any such case 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 in or omission or alleged omission from any of such documents in reliance upon and in conformity with written information furnished to the Company by an Underwriter through the Representatives specifically for use therein; provided, further, that (i) a Selling Stockholder shall only be subject to such liability to the extent that the untrue statement or alleged untrue

statement or omission or alleged omission in reliance upon and in conformity with written information furnished to the Company by such Selling Stockholder specifically for use therein. The foregoing indemnity agreement with respect to any untrue statement or omission in the Preliminary Prospectus shall not inure to the benefit of any Underwriter from whom the person asserting any such losses, claims, damages or liabilities purchased the Offered Securities if a copy of the Prospectus (as then amended or supplemented if the Company shall have furnished any amendments or supplements thereto) was not sent or given by or on behalf of such Underwriter to such person at or prior to the written confirmation of the sale of the Offered Securities to such person, and the Prospectus (as amended or supplemented) would have cured the defect giving rise to such losses, claims, damages or liabilities. In no event, however, shall the liability of any Selling Stockholder for indemnification under this Section 7(b) exceed the lesser of (i) the proceeds received by such Selling Stockholder from the Underwriters in the offering and (ii) that portion of the total losses, claims, damages and liabilities for which the Underwriters and any controlling persons may be subject to indemnification hereunder equal to the ratio of the total number of Offered Securities sold hereunder by such Selling Stockholder as compared to the total Offered Securities sold hereunder by all Selling Stockholders.

(c) Each Underwriter will severally and not jointly indemnify and hold harmless the Company and each Selling Stockholder against any losses, claims, damages or liabilities to which the Company or such Selling Stockholder may become subject, under the 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, the Prospectus, or any amendment or supplement thereto, or any related preliminary prospectus, or arise out of or are based upon the omission or the alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company by such Underwriter through the Representatives specifically for use therein, and will reimburse any legal or other expenses reasonably incurred by the Company and each Selling Stockholder in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred.

(d) Promptly after receipt by an indemnified party under this Section or Section 9 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against an indemnifying party under subsection (a), (b) or (c) above or Section 9, notify the indemnifying party of the commencement thereof; but the omission so to notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party otherwise than under subsection (a), (b) or (c) above or Section 9. In case any such action is brought against any indemnified party and it notifies an indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party will not be liable to such indemnified party under this Section or Section 9, as the case may be, for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened action in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party unless such settlement includes an unconditional release of such indemnified party from all liability on any claims that are the subject matter of such action.

(e) If the indemnification provided for in this Section or Section 9 is unavailable or insufficient to hold harmless an indemnified party under subsection (a), (b) or (c) above or Section 9, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of the losses, claims, damages or liabilities referred to in subsection (a), (b) or (c) above or Section 9 (i) in such proportion as is appropriate to reflect the relative benefits received by the Company, the Selling Stockholders and the Underwriters from the offering of the Offered Securities or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company, the Selling Stockholders and the Underwriters in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities as well as any other relevant equitable considerations. The relative benefits received by the Company, the Selling Stockholders and the Underwriters shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Company and the Selling Stockholders bear to the total underwriting discounts and commissions received by the Underwriters. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company, the Selling Stockholders or the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The amount paid by an indemnified party as a result of the losses, claims, damages or liabilities referred to in the first sentence of this subsection (e) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any action or claim which is the subject of this subsection (e). Notwithstanding the provisions of this subsection (e), no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission and no Selling Stockholder shall be required to contribute any amount in excess of the amount of the proceeds received by such Selling Stockholder from the Underwriters in the Offering. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' and the Selling Stockholders' obligations in this subsection (e) to contribute are several in proportion to their respective obligations and not joint.

(f) The obligations of the Company and the Selling Stockholders under this Section or Section 9 shall be in addition to any liability which the Company and the Selling Stockholders may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls any Underwriter or the QIU (as hereinafter defined) within the meaning of the Act; and the obligations of the Underwriters under this Section shall be in addition to any liability which the respective Underwriters may otherwise have and shall extend, upon the same terms and conditions, to each director of the Company, to each officer of the Company who has signed a Registration Statement and to each person, if any, who controls the Company within the meaning of the Act.

8. Default of Underwriters. If any Underwriter or Underwriters default in their obligations to purchase Offered Securities hereunder on either the First or any Optional Closing Date and the aggregate number of shares of Offered Securities that such defaulting Underwriter or Underwriters agreed but failed to purchase does not exceed 10% of the total number of shares of Offered Securities that the Underwriters are obligated to purchase on such Closing Date, CSFBC may make arrangements satisfactory to the Company and the Selling Stockholders for the purchase of such Offered Securities by other persons, including any of the Underwriters, but if no such arrangements are made by such Closing Date, the non-

defaulting Underwriters shall be obligated severally, in proportion to their respective commitments hereunder, to purchase the Offered Securities that such defaulting Underwriter or Underwriters agreed but failed to purchase on such Closing Date. If any Underwriter or Underwriters so default and the aggregate number of shares of Offered Securities with respect to which such default or defaults occur exceeds 10% of the total number of shares of the Offered Securities that the Underwriters are obligated to purchase on such Closing Date and arrangements satisfactory to CSFBC, the Company and the Selling Stockholders for the purchase of such Offered Securities by other persons are not made within 36 hours after such default, this Agreement will terminate without liability on the part of any non-defaulting Underwriter, the Company or the Selling Stockholders, except as provided in Section 10 (provided that if such default occurs with respect to Optional Securities after the First Closing Date, this Agreement will not terminate as to the Firm Securities or any Optional Securities purchased prior to such termination). As used in this Agreement, the term "Underwriter" includes any person substituted for an Underwriter under this Section. Nothing herein will relieve a defaulting Underwriter from liability for its default.

9. Qualified Independent Underwriter. The Company hereby confirms that at its request Bear, Stearns & Co. Inc. has without compensation acted as "qualified independent underwriter" (in such capacity, the "QIU") within the meaning of Rule 2720 of the Conduct Rules of the National Association of Securities Dealers, Inc. in connection with the offering of the Offered Securities. The Company will indemnify and hold harmless the QIU against any losses, claims, damages or liabilities, joint or several, to which the QIU may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon the QIU's acting (or alleged failing to act) as such "qualified independent underwriter" and will reimburse the QIU for any legal or other expenses reasonably incurred by the QIU in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred.

10. Survival of Certain Representations and Obligations. The respective indemnities, agreements, representations, warranties and other statements of the Selling Stockholders, of the Company or its officers and of the several Underwriters set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation, or statement as to the results thereof, made by or on behalf of any Underwriter, any Selling Stockholder and the Company or any of their respective representatives, officers or directors or any controlling person, and will survive delivery of and payment for the Offered Securities. If this Agreement is terminated pursuant to Section 8 or if for any reason the purchase of the Offered Securities by the Underwriters is not consummated, the Company and the Selling Stockholders shall remain responsible for the expenses to be paid or reimbursed by them pursuant to Section 5 the respective obligations of the Company, the Selling Stockholders, and the Underwriters pursuant to Section 7 and the obligations of the Company and the Selling Stockholders pursuant to Section 9 shall remain in effect, and if any Offered Securities have been purchased hereunder the representations and warranties in Section 2 and all obligations under Section 5 shall also remain in effect. If the purchase of the Offered Securities by the Underwriters is not consummated for any reason other than solely because of the termination of this Agreement pursuant to Section 8 or the occurrence of any event specified in clause (iii), (iv) or (v) of Section 6(d), the Company will reimburse the Underwriters for all out-of-pocket expenses (including fees and disbursements of counsel) reasonably incurred by them in connection with the offering of the Offered Securities.

11. Notices. All communications hereunder will be in writing and, if sent to the Underwriters, will be mailed, delivered or telegraphed and confirmed to the Representatives, c/o Credit Suisse First Boston Corporation, Eleven Madison Avenue, New York, N.Y. 10010-3629, Attention: Investment Banking Department--Transactions Advisory Group; if sent to the Company, will be mailed,

delivered or telegraphed and confirmed to it at 116 Huntington Avenue, Boston, MA 02116, Attention: Steven B. Dodge or, if sent to the Selling Stockholders or any of them, will be mailed, delivered or telegraphed and confirmed c/o with respect to Selling Stockholders listed on Schedule A, Steven Dodge, with respect to Selling Stockholders listed on Schedule B, Fred Lummis, in each case at 116 Huntington Avenue, Boston, MA, 02116, provided, however, that any notice to an Underwriter pursuant to Section 7 will be mailed, delivered or telegraphed and confirmed to such Underwriter.

12. Successors. This Agreement will inure to the benefit of and be binding upon the parties hereto and their respective personal representatives and successors and the officers and directors and controlling persons referred to in Section 7, and no other person will have any right or obligation hereunder.

13. Representation. The Representatives will act for the several Underwriters in connection with the transactions contemplated by this Agreement, and any action under this Agreement taken by the Representatives jointly or by CSFBC will be binding upon all the Underwriters. Steven Dodge or Thomas Stoner as attorneys-in-fact, will act for the Selling Stockholders listed on Schedule A and Fred Lummis or _____ as attorneys-in-fact, will act for the Selling Stockholders listed on Schedule B, in each case, in connection with such transactions, and any action under or in respect of this Agreement taken by any of them will be binding upon all the Selling Stockholders.

14. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same Agreement.

15. APPLICABLE LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS.

The Company hereby submits to the non-exclusive jurisdiction of the Federal and state courts in the Borough of Manhattan in The City of New York in any suit or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

If the foregoing is in accordance with the Representatives' understanding of our agreement, kindly sign and return to us three of the counterparts hereof, whereupon it will become a binding agreement among the Company, the Selling Stockholders and the several Underwriters in accordance with its terms.

Very truly yours,

American Tower Corporation

By: _____
Name:
Title:

Each of The Selling Stockholders Listed on Schedule A Hereto

By: _____
Attorney-in-fact

Each of The Selling Stockholders Listed on Schedule B Hereto

By: _____
Attorney-in-fact

The foregoing Underwriting Agreement
is hereby confirmed and accepted
as of the date first above written.

Credit Suisse First Boston Corporation,
BT Alex. Brown Incorporated,
Lehman Brothers Incorporated,
Morgan Stanley & Co. Incorporated,
Bear, Stearns & Co. Inc.,
Merrill Lynch, Pierce, Fenner & Smith
Incorporated and
Smith Barney, Inc.

Acting on behalf of themselves and as
the Representatives of the several
Underwriters.

By Credit Suisse First Boston Corporation

By: _____
Name:
Title:

RESTATED CERTIFICATE OF INCORPORATION

OF

AMERICAN TOWER SYSTEMS CORPORATION

FIRST: The name of the corporation (hereinafter the "Corporation") is

AMERICAN TOWER CORPORATION.

SECOND: The respective names of the County and of the City within the

County in which the registered office of the Corporation is located in the State of Delaware are the County of New Castle and the City of Wilmington. The name of the registered agent of the Corporation is Corporation Service Company. The street and number of said registered office and the address by street and number of said registered agent is 1013 Centre Road, Wilmington, New Castle County, Delaware 19805-1297.

THIRD: The nature of the business of the Corporation and the objects or

purposes to be transacted, promoted or carried on by it are as follows: To engage in any lawful act or activity for which corporations may be organized under the Delaware General Corporation Law.

FOURTH: The aggregate number of shares of all classes of stock which the

Corporation is authorized to issue is 380,000,000 shares, of which 20,000,000 shall be shares of Preferred Stock, \$.01 par value per share (the "Preferred Stock"), and 360,000,000 shall be shares of Common Stock, \$.01 par value per share (the "Common Stock"), of which 300,000,000 shall be shares of Class A Common Stock, \$.01 par value per share (the "Class A Common Stock"), and 50,000,000 shall be shares of Class B Common Stock, \$.01 par value per share (the "Class B Common Stock"), and 10,000,000 shall be shares of Class C Common Stock, \$.01 par value per share (the "Class C Common Stock").

A. GENERAL

No holder of any of the shares of stock of this Corporation, whether now or hereafter authorized or issued, shall be entitled as of right to purchase or subscribe for (i) any unissued stock of any class, or (ii) any additional share of any class to be issued by reason of any increase of the authorized stock of the Corporation of any class, or (iii) bonds, certificates of indebtedness, debentures or other securities convertible into or exchangeable, or carrying any right to purchase or otherwise acquire, stock of any class of the Corporation. Subject to the other terms of this Restated Certificate of Incorporation, the Board of Directors of the Corporation may from time to time authorize by resolution the issuance of any or all shares of the Common Stock and the Preferred Stock herein authorized, together with any additional shares of any class to be issued by reason of any increase of the authorized stock of the Corporation of any class, or bonds, certificates of indebtedness, debentures or other securities convertible into or exchangeable, or carrying any right to purchase or otherwise acquire, stock of any class of the Corporation, for such purposes, in such amounts, to such Persons, for such consideration and, in the case of the Preferred Stock, in one or more series or classes, all as the Board of Directors in its sole and absolute discretion may from time to time determine and without any vote, approval, consent or other action by the stockholders, except as otherwise required by applicable law.

Every reference in this Restated Certificate of Incorporation to a majority or other portion of shares of stock, including without limitation the provisions set forth in Articles EIGHTH and TENTH, shall refer to such majority or other portion of the votes of such shares of stock.

The designations and the powers, preferences and rights, of the capital stock of the Corporation and the qualifications, limitations and restrictions thereof, shall be as set forth in Sections B, C, D and E below.

B. PREFERRED STOCK

The Board of Directors is expressly authorized to provide for the issuance of all or any shares of the Preferred Stock in one or more classes or series, and to fix for each such class or series such voting powers, full or limited, or no voting powers, and such distinctive designations, preferences and relative, participating, optional or other special rights and such qualifications, limitations or restrictions thereof, as shall be stated and expressed in the resolution or resolutions adopted by the Board of Directors, in its sole and absolute discretion, providing for the issuance of such class or series and as may be permitted by the Delaware General Corporation Law, including, without limitation, the authority to determine with respect to the shares of any such class or series (i) whether such shares shall be redeemable, and, if so, the terms and conditions of such redemption, including the date or dates upon or after which they shall be redeemable, and the amount per share payable in case of redemption, which amount may vary under different conditions and at different redemption dates; (ii) whether such shares shall be entitled to receive dividends (which may be cumulative or noncumulative) and, if so, the rates and conditions of such dividends, including the times at which such dividends are payable, the preferences in relation to the dividends payable on any other class or classes or any other series of the same or any other class or classes of stock, and whether such dividends are payable, in whole or in part, in cash, in additional shares of such class or series, or in any other series of the same or any other class or classes of stock, or in other securities of the Corporation, or in any combination of the foregoing; (iii) the rights of such shares in the event of voluntary or involuntary liquidation, dissolution or winding up of the Corporation, and the relative rights of priority, if any, of payment of such shares; (iv) whether such shares shall be convertible into, or exchangeable for, shares of any other class or classes of stock, or of any other series of the same or any other class or classes of stock, or any other securities of the Corporation, and, if so, the terms and conditions of such conversion or exchange, including provision for adjustment of the conversion or exchange rate in such events as the Board of Directors shall determine; (v) whether the class or series shall have a sinking fund for the redemption or purchase of such shares, and, if so, the terms and amount of such sinking fund; and (vi) any other relative rights, preferences or limitations.

C. COMMON STOCK

Except as otherwise provided in this Section or as otherwise required by the Delaware General Corporation Law, all shares of Class A Common Stock, Class B Common Stock and Class C Common Stock shall be identical and shall entitle the holders thereof to the same powers, preferences and rights, and shall be subject to the same qualifications, limitations and restrictions thereof.

1. Voting Rights and Powers. (a) Except as otherwise provided in

this Restated Certificate of Incorporation, with respect to all matters upon which stockholders are entitled to vote, the holders of the outstanding shares of Class A Common Stock shall be entitled to one (1) vote in person or by proxy for each share of Class A Common Stock standing in the name of such stockholders on the record of stockholders, and the holders of the outstanding shares of Class B Common Stock shall be entitled to ten (10) votes in person or by proxy for each share of Class B Common Stock standing in the name of such stockholders on the record of stockholders. Except as otherwise required by Applicable Law or paragraph (b), (c) (d), (e) or (f) of this Section (C)(1), holders of Class A Common Stock and Class B Common Stock shall vote together as a single class on all matters submitted to the stockholders for a vote, including, notwithstanding the first sentence of Section 242(b)(2) of the Delaware General Corporation Law, any amendment to this Restated Certificate of Incorporation which would increase or decrease the number of authorized shares of Class A Common Stock, Class B Common Stock and Class C Common Stock, subject to any voting rights which may be granted to

holders of Preferred Stock. Except as otherwise provided by Applicable Law, holders of Class C Common Stock shall not be entitled to vote on any matters to be voted on by the Corporation's stockholders nor to take any action in meetings with respect to any such matters.

(b) In the election of directors, the holders of Class A Common Stock shall be entitled, voting as a single class and exclusive of all other stockholders, to elect two (2) directors of the Corporation (the "Class A Directors"), with each share of Class A Common Stock entitled to one vote. Any one or more of the Class A Directors may be removed with or without cause only by a vote of the holders of Class A Common Stock, voting separately as a single class and holding not less than a majority of the issued and outstanding shares of Class A Common Stock.

(c) Except as set forth in paragraph (b) above, the holders of the Class A Common Stock and the Class B Common Stock, voting as a single class, shall have the right to vote on the election of all directors of the Corporation, with each share of Class A Common Stock being entitled to one (1) vote and each share of Class B Common Stock being entitled to ten (10) votes. Any one or more of the directors (other than the Class A Directors) may be removed with or without cause by a vote of the holders of Class A Common Stock and Class B Common Stock, voting as a single class, holding not less than a majority of the votes entitled to be cast for the election of directors (other than Class A Directors) of the Corporation.

(d) From and after the Final Class B Date, except as otherwise required by Applicable Law and subject to the rights, if any, of any class or series of Preferred Stock from time to time outstanding, with respect to each matter submitted to the vote of the stockholders (including without limitation the election of directors of the Corporation), the holders of the Class A Common Stock voting as a class shall be entitled to determine such matter, with each issued and outstanding share of Class A Common Stock entitled to one (1) vote.

(e) In addition to such other vote, if any, as may be required by the Delaware General Corporation Law or this Restated Certificate of Incorporation, the vote or consent of the holders of a majority of the Class A Common Stock voting separately as a single class shall be required to amend or restate this Restated Certificate of Incorporation in a manner that would alter or change the powers, preferences or special rights of the shares of Class A Common Stock so as to affect them adversely; provided, however, that notwithstanding the foregoing, no such amendment or restatement that (i) increases or decreases the number of authorized shares of, or which increases or decreases the par value of, the Class A Common Stock, the Class B Common Stock or the Class C Common Stock, or (ii) creates a new class of Common Stock or increases or decreases the authorized number of shares thereof so long as such shares are not entitled to more than one (1) vote per share, shall be deemed to affect adversely the powers, preferences or special rights of the shares of Class A Common Stock, and the holders of the Class A Common Stock shall not be entitled to vote as a class with respect to any of the matters referred to in clause (i) or (ii) immediately preceding.

(f) In addition to the vote, if any, as may be required by the Delaware Corporation Law or this Restated Certificate of Incorporation, the vote or consent of the holders or a majority of the Class A Common Stock, voting separately as a single class, shall be required to amend or restate this Restated Certificate of Incorporation in a manner that creates any class of Common Stock having more than one vote per share, unless such class is to be issued in exchange for the Class B Common Stock and does not have more than ten votes per share and the terms of this Section (C) apply to it to the same extent as to the Class B Common Stock.

2. Stock Splits, Dividends and Distributions. The Corporation shall not

in any manner subdivide (by stock split or otherwise) or combine (by reverse stock split or otherwise), or pay or declare any stock dividend on, the outstanding shares of the Common Stock of any class or series unless the outstanding Common Stock of all the other classes and series shall be proportionately subdivided or combined or the holders thereof shall have received a proportionate dividend. All such subdivisions, combinations and dividends shall be payable only in shares of the respective classes or series to the holders of such classes or series. At any time shares of more than one class of Common Stock are outstanding, as and when dividends or other distributions payable in either cash, capital stock of the Corporation (other than in shares of Class A Common Stock, Class B Common Stock or Class C Common Stock) or other property of the Corporation may be declared by the Board of Directors, the amount of any such dividend or other distribution payable on each share of each class of Common Stock shall in all cases be equal, except that in the event of any such dividend or distribution in which shares (or other securities) of any company (including of any direct or indirect Subsidiary of the Corporation) are distributed, such shares (or other securities) may differ as to voting rights up to the extent that the voting rights of the Class A Common Stock, the Class B Common Stock and the Class C Common Stock differ immediately prior to such dividend or distribution; provided, however, that any shares (or other securities) that differ as to voting rights and are permitted by the exception immediately preceding this proviso shall be subject to the same transfer restrictions and conversion events as the Class B Common Stock to the same extent as if such shares (or other securities) were shares of Class B Common Stock.

3. Consideration on Merger, Consolidation, etc.; Distribution of Assets

Upon Liquidation. In any merger, consolidation or business combination, the

consideration to be received per share by the holders of shares of Class A Common Stock, shares of Class B Common Stock and shares of Class C Common Stock shall be identical for each class of stock, except that in any such transaction in which shares of capital stock and/or other securities (including debt securities) (including without limitation those of a surviving entity, or the direct or indirect parent entity thereof, whether or not such surviving entity is the Corporation) are to be distributed, such shares (or other securities) may differ as to voting rights up to the extent that the voting rights of the Class A Common Stock, the Class B Common Stock and the Class C Common Stock differ immediately prior to such merger, consolidation or business combination; provided, however, that any shares (or other securities) that differ as to voting rights and are permitted by the exception immediately preceding this proviso shall be subject to the same transfer restrictions and conversion events as the Class B Common Stock to the same extent as if such shares (or other securities) were shares of Class B Common Stock.

In the event the Corporation shall be liquidated, dissolved or wound up, whether voluntarily or involuntarily, after there shall have been paid or set aside for the holders of all shares of the Preferred Stock then outstanding the full preferential amounts to which they may be entitled, if any, under the resolutions authorizing the issuance of such Preferred Stock, the net assets of the Corporation remaining thereafter shall be distributed ratably to each share of Class A Common Stock, Class B Common Stock and Class C Common Stock in accordance with the number of shares thereof and without regard to class, except that in the event of any such liquidation, dissolution or winding up in which shares (or other securities) of any company (including of any direct or indirect Subsidiary of the Corporation) are distributed, such shares (or other securities) may differ as to voting rights up to the extent that the voting rights of the Class A Common Stock, the Class B Common Stock and the Class C Common Stock differ immediately prior to such liquidation, dissolution or winding up; provided, however, that any shares (or other securities) that differ as to voting rights and are permitted by the exception immediately preceding this proviso shall be subject to the same transfer restrictions and conversion events as the Class B Common Stock to the same extent as if such shares (or other securities) were shares of Class B Common Stock. For the purposes of this paragraph, neither the merger, consolidation or business combination of the Corporation with or into any other entity in which the stockholders of the Corporation receive capital stock and/or other securities (including debt securities) of the surviving entity (or of the direct or indirect parent entity thereof), nor the sale, lease or transfer by the Corporation of all or any part

of its business and assets, nor the reduction of the capital stock of the Corporation, shall be deemed to be a voluntary or involuntary liquidation, dissolution or winding up of the Corporation.

4. Automatic Conversion of Class B Common Stock Upon Non-Permitted

Transfer of Class B Common Stock. No Person may Transfer, and the Corporation

shall not register the Transfer of, any share of Class B Common Stock, unless such Transfer constitutes a Permitted Transfer. Any purported Transfer of economic, record or beneficial ownership of shares of Class B Common Stock other than in accordance with the terms of this Subsection shall, without any act on the part of the Corporation, the Class B Holder, the transferee or any other Person, result in the conversion of each share of the purportedly transferred shares of Class B Common Stock into one share of Class A Common Stock effective on the date of such purported transfer, and the stock certificates formerly representing such shares of Class B Common Stock shall thereupon and thereafter be deemed to represent such number of shares of Class A Common Stock.

Notwithstanding the foregoing, any Class B Holder may pledge its shares of Class B Common Stock to a pledgee pursuant to a bona fide pledge of such shares as collateral security for indebtedness due to the pledgee, provided that such shares shall not be registered in the name of the pledgee and shall remain subject to the provisions of this Subsection. In the event of foreclosure or other similar action with respect to such shares by the pledgee, such pledged shares of Class B Common Stock may only be Transferred to a Permitted Transferee or converted into shares of Class A Common Stock, as the pledgee may elect.

Shares of Class B Common Stock issued upon Transfer to a Permitted Transferee shall be issued to or registered in the names of the beneficial owners thereof and not in "street" or "nominee" names. If there is more than one beneficial owner of such transferred shares of Class B Common Stock, the shares may be registered in the name of one such beneficial owner, provided such registered owner files a certificate with the Corporation identifying the names of all beneficial owners of such shares. The Corporation may, in connection with preparing a list of stockholders entitled to vote at any meeting of stockholders, or as a condition to the transfer or the registration of shares of Class B Common Stock on the Corporation's books, require the furnishing of such affidavits or other proof as it deems necessary to establish that the registered owner of such shares is in fact the beneficial owner of such shares, or to establish the identity of the Economic Owner, as the case may be, of such shares or to establish that any transferee of such shares is a Permitted Transferee.

The Corporation shall note on all certificates for shares of Class B Common Stock that the shares represented by such certificates are subject to the restrictions on transfer and registration of transfer imposed by this Subsection.

5. Automatic Conversion of all Class B Common Stock. Upon the occurrence

of a Dodge Conversion Event:

(a) all shares of Class B Common Stock at the time outstanding shall, without any act on the part of the Corporation, any Class B Holder or any other Person, result in the conversion of each share of Class B Common Stock into one share of Class A Common Stock effective as of the close of business on the date of the occurrence of the Dodge Conversion Event, the stock certificates formerly representing shares of Class B Common Stock shall thereupon and thereafter be deemed to represent such number of shares of Class A Common Stock, and no further transfers of shares of Class B Common Stock shall be effected on the stock record books of the Corporation; and

(b) all options to purchase shares of Class B Common Stock at the time outstanding shall, without any act on the part of the Corporation, the holder of any such option or any other Person, become an option to purchase a number of shares of Class A Common Stock equal to the number of shares of Class B Common Stock theretofore purchasable under such option.

6. Optional Conversion of Common Stock. Each fully paid share of Class B

Common Stock and each fully paid share of Class C Common Stock shall be convertible at the election of the holder thereof into one share of Class A Common Stock in accordance with and subject to the provisions of this Subsection as follows:

(a) Class B Common Stock into Class A Common Stock. Any holder of

shares of Class B Common Stock may, in its sole and absolute discretion, elect to convert any or all of such shares into shares of Class A Common Stock at one time or from time to time by surrendering the certificate representing each share of Class B Common Stock to be converted to the Corporation at its principal executive offices, accompanied by a written notice of the election by the holder thereof to convert and (if so required by the Corporation) by instruments of transfer, in form reasonably satisfactory to the Corporation, duly executed by such holder or his duly authorized attorney, with signature guaranteed (if so required by the Corporation).

(b) Class C Common Stock into Class A Common Stock.

(i) Any holder of shares of Class C Common Stock, other than Chase Equity Associates ("CEA") or any of its Affiliates (individually, a "CEA Holder" and collectively, the "CEA Holders"), may, in its sole and absolute discretion, elect to convert any or all of such shares into shares of Class A Common Stock at one time or from time to time by surrendering the certificate representing each share of Class C Common Stock to be converted to the Corporation at its principal executive offices, accompanied by a written notice of the election by the holder thereof to convert and (if so required by the Corporation) by instruments of transfer, in form reasonably satisfactory to the Corporation, duly executed by such holder or his duly authorized attorney, with signature guaranteed (if so required by the Corporation).

(ii) Upon the occurrence or expected occurrence of a Conversion Event, any CEA Holder may, in its sole and absolute discretion, elect to convert any or all of such shares into shares of Class A Common Stock at one time or from time to time by surrendering the certificate representing each share of Class C Common Stock to be converted to the Corporation at its principal executive offices, accompanied by a written notice of the election by the holder thereof to convert and (if so required by the Corporation) by instruments of transfer, in form reasonably satisfactory to the Corporation, duly executed by such holder or his duly authorized attorney, with signature guaranteed (if so required by the Corporation). Each CEA Holder shall be entitled to convert shares of Class C Common Stock into shares of Class A Common Stock in connection with any Conversion Event if such CEA Holder reasonably believes that such Conversion Event will be consummated, and a written request for conversion from any CEA Holder stating such CEA Holder's reasonable belief that a Conversion Event shall occur shall be conclusive and shall obligate the Corporation to effect such conversion in a timely manner so as to enable each such CEA Holder to participate in such Conversion Event. The Corporation will not cancel the shares of Class C Common Stock so converted before the tenth day following such Conversion Event and will reserve such shares until such tenth day for reissuance in compliance with the next sentence. If any shares of Class C Common Stock are converted into shares of Class A Common Stock in connection with a Conversion Event and such shares of Class A Common Stock are not actually distributed, disposed of or sold pursuant to such Conversion Event, such shares of Class A Common Stock shall be promptly converted back into the same number of shares of Class C Common Stock. Notwithstanding the foregoing, any CEA Holder may convert shares of Class C Common Stock into Class A Common Stock upon approval by the Board of Directors of the Corporation in accordance with applicable law.

(iii) Notwithstanding the provisions of paragraphs (i) and (ii) immediately preceding, no such conversion of Class C Common Stock shall be permitted if the Corporation determines, in its reasonable business judgment, that the ownership, or proposed ownership, of shares of stock or other securities of the Corporation (A) would cause the holder or CEA Holder of the shares of Class C Common Stock proposed to be converted to become a Disqualified Person or (B) may be inconsistent with, or in violation of, any Applicable Law or Governmental Authorization.

7. Non-Permitted Dodge Transfers. The Corporation shall not issue, or

permit the Transfer on the books of the Corporation or otherwise, to Dodge or any of his Controlled Entities, Family Members or Dodge Charitable Foundations, of any shares of any class or series of capital stock (or other voting securities) if, after giving effect to such issue or Transfer, Dodge, together with his Controlled Entities, Family Members and Dodge Charitable Foundations, would own beneficially shares of capital stock of the Corporation entitled to vote generally for the election of directors which, on a combined basis, would represent more than the Designated Voting Percentage of the aggregate voting power of all classes of capital stock of the Corporation entitled to vote generally for the election of directors (it being understood that the right of the holders of one or more classes of Preferred Stock to elect a specific number of directors, either generally or upon the occurrence of events specified in the terms of the Preferred Stock, shall not be deemed to mean that any of those holders are entitled to vote generally for the election of directors). For purposes of this Subsection 7, beneficially ownership shall be determined in accordance with Rule 13d-3 promulgated under the Exchange Act or any successor rule. For purposes of illustrating the preceding provision of this Subsection 7 if, based on the present composition of the Corporation's capital stock, 100 shares of Class A Common Stock were outstanding (having one vote per share) and 200 shares of Class B Common Stock were outstanding (having ten votes per share), the Corporation would be deemed to have capital stock having total voting power of 2,100 votes (i.e., 100 votes attributable to the Class A Common Stock and 2,000 votes attributable to the Class B Common Stock) and Dodge, together with his Controlled Entities, Family Members and Dodge Charitable Foundations, would be prohibited from owning capital stock of the Corporation (of whatever series or class) having the right to cast more than 1,049 votes (i.e., 49.99% of 2,100). The foregoing illustration assumes the Designated Voting Percentage equals 49.99%.

8. Reservation of Common Stock upon Conversion of Common Stock. The

Corporation shall, at all times, reserve and keep available, solely for the purpose of issuance upon conversion of outstanding shares of Class B Common Stock and Class C Common Stock, such number of shares of Class A Common Stock as may be issuable upon the conversion of all such outstanding shares of Class B Common Stock and Class C Common Stock; provided, however, that the Corporation may deliver shares of Class A Common Stock which are held in the treasury of the Corporation for shares of Class B Common Stock and Class C Common Stock converted. All shares of Class A Common Stock which may be issued upon conversion of shares of Class B Common Stock and Class C Common Stock will, upon issuance, be fully paid and nonassessable. The aggregate amount of stated capital represented by shares of Class A Common Stock issued upon conversion of shares of Class B Common Stock and shares of Class C Common Stock shall be the same as the aggregate amount of stated capital represented by the shares of Class B Common Stock and Class C Common Stock so converted.

9. Issuance of Certificates. The issuance of a certificate or

certificates for shares of Class A Common Stock upon conversion of shares of Class B Common Stock or Class C Common Stock shall be made without charge for any stamp or other similar tax in respect of such issuance. However, if any such certificate or certificates are to be issued in a name other than that of the holder of the shares of Class B Common Stock or Class C Common Stock to be converted, the Person requesting the issuance thereof shall pay to the Corporation the amount of any tax which may be payable in respect of any such transfer, or shall establish to the reasonable satisfaction of the Corporation that such tax has been paid or is not so payable. As promptly

as practicable after the surrender for conversion of a certificate or certificates representing shares of Class B Common Stock or, except as provided in paragraph (b)(ii) of Subsection 6, Class C Common Stock and, if required, payment of any tax as hereinabove provided, the Corporation will deliver to, or upon the written order of, the holder of such certificate or certificates, a certificate or certificates representing the number of shares of Class A Common Stock issuable upon such conversion. Such conversion shall be deemed to have been made immediately prior to the close of business on the earlier of (a) the occurrence of a Dodge Conversion Event or (b) the date of the surrender of the certificate or certificates representing shares of Class B Common Stock or Class C Common Stock (or, if the transfer books of the Corporation shall be closed on such date, then immediately prior to the close of business on the first date thereafter that said books shall be open), and all rights of such holder arising from ownership of shares of Class B Common Stock or Class C Common Stock shall cease at such time and the Person in whose name the certificate or certificates representing shares of Class A Common Stock are to be issued shall be treated for all purposes as having become the record holder of such shares of Class A Common Stock at such time and shall have and may exercise all the rights and powers appertaining thereto.

10. Restriction on Issuance of Shares of Class B Common Stock. The

Corporation shall not issue any additional shares of Class B Common Stock or any new class of common stock entitled to cast more than one (1) vote per share, unless such issuance is pursuant to Section C(1)(f) or C(2) or is pursuant to Option Securities that exist, or are required to be issued, as of the effective time of the ATC Merger to acquire shares of Class B Common Stock. The Corporation shall not, except pursuant to the provisions of Section C(1)(f), issue any Convertible Securities, convertible or exchangeable into, or Option Securities to purchase, any shares of Class B Common Stock or any new class of Common Stock entitled to cast more than one (1) vote per share.

11. Automatic Conversion of Certain Class B Common Stock. At any time a

Controlled Entity of any Original Class B Holder fails to remain a Controlled Entity of such Original Class B Holder, any shares of Class B Common Stock then standing in the name of such Controlled Entity on the stock records of the Corporation shall, without any act on the part of the Corporation, result in the conversion of such shares of Class B Common Stock into shares of Class A Common Stock effective as of the close of business on the date such Controlled Entity fails to remain a Controlled Entity of any one or more Original Class B Holders.

12. No Circumvention. Without the consent of the holders of a majority of

the shares of Class A Common Stock, voting separately as a class, except as otherwise specifically provided in this Restated Certificate of Incorporation (including without limitation paragraph (e) of Section C(1) and Sections C(2) and (3)), the Corporation shall not, by amendment of this Restated Certificate of Incorporation, by amendment of the Corporation's bylaws or through any reorganization, transfer of assets, consolidation, merger, dissolution, or any other voluntary action, avoid or seek to avoid the protections afforded the holders of shares of Class A Common Stock with respect to the Class B Common Stock or the issue of shares of Common Stock entitled to cast more than one (1) vote set forth in this Section C, as presently constituted; provided, however, that notwithstanding the foregoing, the Corporation may issue and sell debt or shares of Preferred Stock, including without limitation pursuant to a public offering, private placement, consolidation, merger or acquisition of assets, that have special voting rights.

D. COMMUNICATIONS ACT RESTRICTIONS

1. Foreign Ownership Limitations. The Corporation shall not issue, or

permit the transfer on the books of the Corporation, to any Alien or Aliens, either individually or in the aggregate, of any shares of any class or series of capital stock (or other voting securities) if, after giving effect to such issue or transfer, the foreign ownership or voting levels of the Corporation or any of its Subsidiaries would exceed the Foreign Ownership Limitations. No Alien shall be entitled to vote or direct or control the vote of shares of any class

or series of capital stock (or other voting securities) of the Corporation in excess of the Foreign Ownership Limitations. The voting rights with respect to any such shares (or other securities) held by Aliens which exceed the Foreign Ownership Limitations shall be forfeited and such shares (or other securities) shall be deemed for all purposes (including without limitation for purposes of determining quorums and whether the requisite percentage of the issued and outstanding shares of any class or series of capital stock (or other voting securities) has voted or consented to a particular action) of this Restated Certificate of Incorporation not to be issued and outstanding.

2. Disqualified Person Determinations. Each stockholder agrees (a) to

advise the Corporation promptly if (i) it is or becomes an Alien or a Disqualified Person, or (ii) its ownership or voting levels increase beyond those permitted by Section 310(b)(3) or (4), as applicable, of the Communications Act, and (b) to provide the Corporation promptly with such information as the Corporation may, from time to time, reasonably request to enable the Corporation to determine whether such stockholder is an Alien or a Disqualified Person. In the event the Corporation determines, in its reasonable business judgment, that any stockholder is, or is about to become, a Disqualified Person (a "Disqualified Person Determination"), it shall promptly so advise such stockholder and if, within thirty (30) days, or such shorter period as the Corporation shall require as being in the best interests of the Corporation, such stockholder has not made arrangements reasonably satisfactory to the Corporation to cause such stockholder to no longer be, or likely to be, a Disqualified Person, then the Corporation shall have the right, in its sole and absolute discretion, to effect an Automatic Conversion in accordance with the provisions of Subsection 3 of this Section.

3. Automatic Conversions. In the event the Corporation shall have made a

Disqualified Person Determination and the stockholder that is the subject thereof has not made arrangements reasonably satisfactory to the Corporation to cause such stockholder to no longer be a Disqualified Person, then the Corporation shall have the right, in its sole and absolute discretion, if the same would cause such stockholder not to be a Disqualified Person, to convert automatically (an "Automatic Conversion") all, or such number as the Corporation shall specify, of such stockholder's shares of Class A Common Stock and/or Class B Common Stock into Class C Common Stock, such conversion to become effective, without any further act of the Corporation, such Disqualified Person or any other Person, upon the date specified therefor in a resolution of the Board of Directors or, if no date is specified, upon the adoption of such resolution stating that such shares shall be so converted. Stock certificates formerly representing such shares of Class A Common Stock and/or Class B Common Stock held by such Disqualified Person shall thereupon and thereafter be deemed to represent such shares of Class C Common Stock, and all rights of such Disqualified Person arising from ownership of shares of Class A Common Stock and/or Class B Common Stock so converted shall cease at such time and such Disqualified Person in whose name the certificate or certificates representing such shares of Class A Common Stock and/or Class B Common Stock shall be treated for all purposes as having become the record holder of such shares of Class C Common Stock at such time and shall have and may exercise all the rights and powers appertaining thereto. Each holder of shares of Class A Common Stock and/or Class B Common Stock agrees to deliver stock certificates representing shares of Class A Common Stock and/or Class B Common Stock, as the case may be, subject to such Automatic Conversion but the failure to deliver such certificates shall not affect the validity of such Automatic Conversion. Upon such surrender, such Disqualified Person shall be entitled to a certificate or certificates for shares of Class C Common Stock without charge for any stamp or other similar taxes in respect of such issuance. However, if any such certificate or certificates are to be issued in a name other than that of the holder of the shares of Class A Common Stock and/or Class B Common Stock subject to such Automatic Conversion, such Disqualified Person shall pay to the Corporation the amount of any tax which may be payable in respect of any such transfer, or shall establish to the reasonable satisfaction of the Corporation that such tax has been paid or is not so payable. As promptly as practicable after such surrender and, if required, payment of any tax as hereinabove provided, the Corporation will deliver to, or upon the written order of, such Disqualified Person, a certificate or certificates representing the number of shares of Class C Common Stock issuable upon such Automatic Conversion.

The Board of Directors of the Corporation shall have all power and authority necessary or advisable to implement the provisions of this Section. The certificates representing shares of capital stock (or other securities) of the Corporation shall contain a legend referring to such provisions.

E. DEFINITIONS

For purposes of this Restated Certificate of Incorporation, unless the context otherwise requires, the following terms (or any variant in the form thereof) have the following respective meanings. Terms defined in the singular shall have a comparable meaning when used in the plural, and vice versa, and the

reference to any gender shall be deemed to include all genders.

The terms "Affiliate" shall mean (i) any other Person at the time directly or indirectly control ling, controlled by or under direct or indirect common control with such Person, (ii) any other Person of which such Person at the time owns, or has the right to acquire, directly or indirectly ten percent (10%) or more on a consolidated basis of the equity or beneficial interest, (iii) any other Person which at the time owns, or has the right to acquire, directly or indirectly ten percent (10%) or more of any class of the capital stock or beneficial interest of such Person, (iv) any Executive Officer or director of such Person, and (v) when used with respect to an individual, shall include a spouse, any ancestor or descendant, or any other relative (by blood, adoption or marriage), within the third degree of such individual or any trust for the benefit of one or more of the foregoing. A Person shall be deemed to be "controlled by" any other Person if such other Person possesses, directly or indirectly, power to direct or cause the direction of the management or policies of such Person or the disposition of its assets or properties, whether by stock, equity or other ownership, by contract, arrangement or understanding, or otherwise.

The term "Alien" shall mean (i) an individual who is a citizen of a country other than the United States; (ii) any Entity organized under the laws of a government other than the government of the United States or any state, territory or possession of the United States; (iii) a government other than the government of the United States or any state, territory or possession of the United States; (iv) a representative of, or an individual or Entity controlled by, any of the individuals, Entities or governments referred to in clauses (i), (ii) or (iii); and (v) any other Person included in the definitions of Persons restricted by the foreign ownership or voting level provisions of Section 310(b)(3) or (4) of the Communications Act.

The term "Applicable Law" shall mean any Law of any Authority, whether domestic or foreign, including without limitation all federal and state Laws, to which the Person in question is subject or by which it or any of its business or operations is subject or any of its property is bound.

The term "ARS" shall mean American Radio Systems Corporation, a Delaware corporation.

The term "ATC Merger" shall mean the merger of American Tower Corporation, a Delaware corporation, with and into the Corporation.

The term "ATS Private Placement" shall mean the issue and sale of 8,000,000 shares of Common Stock by ATS to the purchasers named in the Stock Purchase Agreement, dated as of January 8, 1998, between ATS and the purchasers, including without limitation Dodge and the Stoner Group, named therein.

The term "Authority" shall mean any governmental or quasi-governmental authority, whether administrative, executive, judicial, legislative or other, or any combination thereof, including without

limitation any federal, state, territorial, county, municipal or other government or governmental or quasi-governmental agency, arbitrator, authority, board, body, branch, bureau, central bank or comparable agency or Entity, commission, corporation, court, department, instrumentality, master, mediator, panel, referee, system or other political unit or subdivision or other Entity of any of the foregoing, whether domestic or foreign.

The term "Class B Holder" shall mean (i) any Original Class B Holder or (ii) any Person to whom shares of Class B Common Stock are hereafter transferred pursuant to a Permitted Transfer.

The term "Code" shall mean the Internal Revenue Code of 1986, and the rules, regulations, policies and orders thereunder, all as from time to time in effect, or any successor law, rules, regulations, policies and orders and any reference to any statutory or regulatory provision shall be deemed to be a reference to any successor statutory or regulatory provision.

The term "Communications Act" shall mean the Communications Act of 1934, and the rules, regulations, policies and orders thereunder, all as from time to time in effect, or any successor law, rules, regulations, policies and orders and any reference to any statutory or regulatory provision shall be deemed to be a reference to any successor statutory or regulatory provision.

The term "Controlled Entity" shall mean, with respect to any Person (such Person being referred to as the "first Person" in this definition), (i) any of the first Person's and/or any other Original Class B Holder's Family Members with respect to which the first Person (and/or any other Original Class B Holder) (x) retains sole voting control, by proxy, voting agreement, voting trust or otherwise over the shares of Class B Common Stock transferred by the first Person and (y) continue to exercise a sole voting power over such shares; provided, however, any of such Family Members shall not be considered, for these purposes, to be a Controlled Entity of the first Person with respect to any Class B Common Stock so transferred as to which, at any time subsequent to such transfer, the first Person (and/or any other Original Class B Holder) fail to retain sole voting power over any Class B Common Stock so transferred or as to which any other Person (other than the first Person (and/or any other Original Class B Holder)) exercise any voting power or direction with respect to any Class B Common Stock so transferred (other than pursuant to a proxy granted in connection with any regular or special meeting of the stockholders of ATS), and (ii) any Entity that (A) is and remains directly controlled (through voting securities, board or other management positions, contract or otherwise) by the first Person (and/or any other Original Class B Holder) and (B) the first Person, together with any other Original Class B Holder and Family Members of any thereof, own and continue to own (or, if such Entity is a trust, is (or are) the beneficiary (or beneficiaries) and continue to be the beneficiary (or beneficiaries) of), directly or indirectly, 90% of the record and beneficial interest of such Entity.

The term "Conversion Event" shall mean (i) any public offering or public sale of securities of the Corporation (including a public offering registered under the Securities Act and a public sale pursuant to Rule 144 promulgated under the Securities Act), (ii) any sale of securities of the Corporation to a person or group of Persons (within the meaning of the Exchange Act, a "Group") if, after such sale, such Person or Group would own or control securities which possess in the aggregate the ordinary voting power to elect a majority of the Corporation's directors (provided that such sale has been approved by the Corporation's Board of Directors or a committee thereof), (iii) any sale of securities of the Corporation to a Person or Group if, after such sale, such Person or Group would own or control securities of the Corporation (excluding any Class B Common Stock being converted and disposed of in connection with such Conversion Event) which possess in the aggregate the ordinary voting power to elect a majority of the Corporation's directors, (iv) any sale of securities of the Corporation to a Person or Group if, after such sale, such Person or Group would not, in the aggregate,

own, control or have the right to acquire more than two percent (2%) of the outstanding securities of any class of voting securities of the Corporation, and (v) a merger, consolidation or similar transaction involving the Corporation if, after such transaction, a Person or Group would own or control securities which possess in the aggregate the ordinary voting power to elect a majority of the surviving corporation's directors (provided that the transaction has been approved by the Corporation's Board of Directors or a committee thereof).

The term "Convertible Securities" shall mean any evidences of indebtedness, shares of capital stock (other than common stock) or other securities directly or indirectly convertible into or exchangeable for shares of common stock, whether or not the right to convert or exchange thereunder is immediately exercisable or is conditioned upon the passage of time, the occurrence or non-occurrence or existence or non-existence of some other Event, or both.

The term "Designated Voting Percentage" shall mean, as of any date of determination, 49.99% minus the percentage of voting rights represented by the Class B Common Stock purchased by any member of the Stoner Group in the ATS Private Placement that is beneficially owned as of such determination date by any member of the Stoner Group, any of their respective Controlled Entities or Family Members or any Person that is controlled, with respect to the voting of any Class B Common Stock held thereby, by any one or more of the foregoing Persons described in this definition. For purposes of this definition, beneficial ownership shall be determined in accordance with Rule 13d-3 promulgated under the Exchange Act or any successor rule.

The term "Disqualified Person" shall mean any Person which, in the good faith determination of the Board of Directors of the Corporation, based on the advice of counsel, directly or indirectly, as a result of ownership of Preferred Stock or Common Stock (or other shares of capital stock or securities of the Corporation) or otherwise, (i) has caused or would cause the Corporation or any of its Subsidiaries to violate the multiple, cross-ownership, cross-interest or other rules, regulations, policies or orders of the FCC, or (ii) could result in disqualification of the Corporation or any of its Subsidiaries as a licensee of the FCC, or (iii) would cause the Foreign Ownership Limitations to be violated.

The term "Dodge" means Steven B. Dodge, the Chairman of the Board, President and Chief Executive Officer of the Corporation.

The term "Dodge Charitable Foundation" shall mean any Entity formed by Dodge and/or his Family Members for any of the purposes set forth in Section 501(c)(3) of the Code.

The term "Dodge Conversion Event" shall mean that Dodge and the Dodge Permitted Transferees, in the aggregate, own beneficially shares of Common Stock which, on a combined basis, represent less than the greater of (i) fifty percent (50%) of the aggregate voting power owned beneficially by Dodge and the Dodge Permitted Transferees determined on a combined basis, immediately following consummation of the ATC Merger, and (ii) twenty percent (20%) of the aggregate voting power of all classes of capital stock of the Corporation entitled to vote generally for the election of directors (it being understood that the right of the holders of (a) Class A Common Stock to elect two (2) directors pursuant to the provisions of Section 1 of Section C of Article Fourth or (b) one or more classes of Preferred Stock to elect a specific number of directors, either generally or upon the occurrence of events specified in the terms of the Preferred Stock, shall not be deemed to mean that any of those holders are entitled to vote generally for the election of directors). For purposes of determining beneficial ownership with respect to a Dodge Conversion Event, (a) Dodge and the Dodge Permitted Transferees shall be deemed to own beneficially all shares of capital stock of the

Corporation that, at the time of determination, (i) could be purchased or otherwise acquired by Dodge or any of the Dodge Permitted Transferees pursuant to all Convertible Securities and Option Securities then held by Dodge or any of the Dodge Permitted Transferees, or (ii) are held for the benefit of Dodge or any of the Dodge Permitted Transferees pursuant to any Benefit Arrangement or Plan of ATS or any of its Subsidiaries; and (b) except as described in clause (a) preceding, Dodge and the Dodge Permitted Transferees shall not be deemed to own beneficially any shares of capital stock of the Corporation that, at the time of determination, might be deemed to be owned beneficially (within the meaning of Rule 13d-3 promulgated under the Exchange Act or any successor rule).

The term "Dodge Permitted Transferee" shall mean any Controlled Entity of Dodge.

The term "Economic Owner" shall have the meaning ascribed to the term "beneficial owner" in Rule 16a-1(a)(2) promulgated under the Exchange Act or any successor rule.

The term "Effective Date" shall mean the date this Restated Certificate of Incorporation becomes effective under the provisions of the Delaware General Corporation Law.

The term "Entity" shall mean any corporation, firm, unincorporated organization, association, partnership, trust (inter vivos or testamentary), estate of a deceased, insane or incompetent individual, business trust, joint stock company, joint venture or other organization, entity or business, whether acting in an individual, fiduciary or other capacity, or any governmental or quasi-governmental authority, whether domestic or foreign and whether administrative, executive, judicial, legislative or other, or any combination thereof.

The term "Event" shall mean the existence or occurrence of any act, action, activity, circumstance, condition, event, fact, failure to act, omission, incident or practice, or any set or combination of any of the foregoing.

The term "Exchange Act" shall mean the Securities Exchange Act of 1934, and the rules and regulations of the Commission thereunder, all as from time to time in effect, or any successor law, rules or regulations, and any reference to any statutory or regulatory provision shall be deemed to be a reference to any successor statutory or regulatory provision, except that any Person meeting the terms of a particular definition as of the time he qualifies shall not thereafter lose such qualification solely because of a change in the Exchange Act or such rules and regulations.

The term "Family Members" shall mean, with respect to any Person, the spouse or former spouse of such Person, any lineal descendant, natural or adopted, of a grandparent of such Person, or a grandparent of the spouse or former spouse of such Person and any spouse or former spouse of such lineal descendant.

The term "FCC" shall mean the Federal Communications Commission or any successor Authority.

The term "Final Class B Date" shall be the date that both of the following conditions shall have been met: (i) all issued and outstanding shares of Class B Common Stock shall be converted into shares of Class A Common Stock in accordance with the provisions of Subsection 4, 5 or 6 of Section C of this Article or shall otherwise cease to be outstanding, and (ii) the Corporation has no obligation to issue any additional shares of Class B Common Stock, pursuant to Option Securities outstanding or required to be issued, as of the effective time of the ATC Merger, that are exercisable for Class B Common Stock.

The term "Foreign Ownership Limitations" shall mean the provisions with respect to foreign ownership or voting levels of the Corporation or any of its Subsidiaries set forth in Section 310(b)(3) or (4) of the Communications Act, as applicable.

The term "Governmental Authorization" shall mean all approvals, concessions, consents, exemptions, franchises, licenses, orders, permits, plans, registrations and other authorizations of and all reports to and filings with all Authorities.

The term "Law" shall mean any action, code, consent decree, constitution, decree, directive, enactment, finding, guideline, law, injunction, interpretation, judgment, order, ordinance, policy statement, proclamation, promulgation, regulation, requirement, rule, rule of law, rule of public policy, settlement agreement, statute, or writ, or the common law, or any particular section, part or provision thereof, or any interpretation, directive, guideline or request (having the force of law), of any Authority, including without limitation (a) the judicial systems thereof, or any particular section, part or provision thereof, and (b) any of the foregoing relating to antitrust or prohibiting other anticompetitive business practices, those relating to employment practices (such as discrimination, health and safety), and those relating to minority business enterprises.

The term "Option Securities" shall mean all rights, options and warrants, and calls or commitments evidencing the right, to subscribe for, purchase or otherwise acquire shares of capital stock or Convertible Securities, and all stock appreciation rights, in each case whether or not the right to subscribe for, purchase or otherwise acquire is immediately exercisable or is conditioned upon passage of time, the occurrence or non-occurrence or the existence or non-existence of some other Event.

The term "Original Class B Holder" shall mean any Person (i) who owned of record or who was the Economic Owner of shares of Class B Common Stock immediately prior to the consummation of the ATC Merger (including any Person entitled to become at such time such an owner of record or Economic Owner of such shares as a consequence of the Tower Separation), or (ii) who held an option to purchase shares of Class B Common Stock immediately prior to the consummation of the ATC Merger (including Persons entitled to receive at such time such an option in exchange for an option to purchase shares of Class B Common Stock of ARS pursuant to certain transactions related to the Tower Separation).

The term "Permitted Transfer" shall mean (i) any Transfer pursuant to the Tower Separation and (ii) a Transfer of Class B Common Stock to any Permitted Transferee; provided, however, that notwithstanding the foregoing, a Transfer to a Dodge Charitable Foundation shall not constitute a permitted Transfer (a) to the extent that the aggregate number of shares of Class B Common Stock Transferred to all Dodge Charitable Foundations that remain (x) Class B Common Stock and (y) owned by any Dodge Charitable Foundation exceeds 1,000,000 (as presently constituted), or (b) if Dodge and/or his Family Members cease to exercise sole voting power or direction with respect to any Class B Common Stock so transferred and still held as Class B Common Stock (other than pursuant to an agreement or proxy excluded from the definition of "Transfer"), or (c) if any Dodge Conversion Event shall have occurred.

The term "Permitted Transferee" shall mean (i) any Original Class B Holder, (ii) any Controlled Entity of any Original Class B Holder and (iii) any Dodge Charitable Foundation.

The term "Person" shall mean any natural individual or any Entity.

The term "Securities Act" shall mean the Securities Act of 1933, and the rules and regulations thereunder, all as from time to time in effect, or any successor law, rules or regulations, and any reference to any statutory or regulatory provision shall be deemed to be a reference to any successor statutory or regulatory provision.

The term "Stock Option Plan" shall mean the 1997 Stock Option Plan, as from time to time amended, of the Corporation.

The term "Stoner Group" shall mean Thomas H. Stoner, individually and as trustee of the trust named in this definition, Katherine E. Stoner, Bessemer Trust Company, solely and as capacity as Trustee of the Ruth H. Spencer Irrevocable Trust and of the Thomas H. Stoner Irrevocable Trust, and such trust.

The term "Subsidiary" with respect to any Person (the "Parent") shall mean any Person of which such Parent, at the time in respect of which such term is used, (a) owns directly or indirectly more than fifty percent (50%) of the equity or beneficial interest, on a consolidated basis, or (b) owns directly or controls (or has the power or capability to control) with power to vote, indirectly through one or more Subsidiaries, shares of capital stock or beneficial interest having the ordinary power to cast (regardless of the existence at the time of a right of the holders of any class or classes of securities of such Person to exercise such voting power by reason of the happening of any contingency) at least a majority of the votes entitled to be cast for the election of the directors, trustees, managers or other officials having powers analogous to those of directors of a corporation. Unless otherwise specifically indicated, when used herein the term Subsidiary shall refer to a direct or indirect Subsidiary of such Person.

The term "Tower Separation" shall mean the transactions or transactions pursuant to which ARS distributed or will distribute to holders of (i) its common stock, (ii) options to acquire its common stock and (iii) its convertible preferred stock (upon conversion thereof), shares of Common Stock of the Corporation.

The term "Transfer" shall mean any sale, assignment, conveyance, transfer or other disposition, mortgage, pledge or other encumbrance, lease, exchange, abandonment, parting with control of, gift, granting of an option or other act of alienation; provided, however, that the term "Transfer" shall not include (a) the Transfer of shares of any class of Common Stock to, or the holding thereof in, a margin or other brokerage account or (b) an agreement to vote, or the granting of a proxy to vote, any shares of any class of Common Stock, whether such agreement or proxy is revocable or irrevocable, so long as such agreement or proxy is specific to a particular meeting or transaction or transactions and so long as such agreement or proxy is not used to circumvent the restrictions on Transfer and conversion events set forth in this Restated Certificate of Incorporation.

FIFTH: For the management of the business and for the conduct of the

affairs of the Corporation, and in further definition, limitation and regulation of the powers of the Corporation and of its directors and stockholders, it is further provided that:

(a) The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors. In addition to the powers and authorities herein or by statute expressly conferred upon it, the Board of Directors may exercise all such powers and do all such acts and things as may be exercised or done by the Corporation, subject, nevertheless, to the provisions of the laws of the State of Delaware, of this Restated Certificate of Incorporation and the By-Laws of the Corporation. Except as otherwise provided by the Delaware General Corporation Law, any committee

of the Board of Directors shall have and may exercise, to the extent provided in the By-Laws of the Corporation or by the resolutions of the Board of Directors, all of the powers and authority of the Board of Directors of the Corporation in the management of the business and affairs of the Corporation;

(b) The number of directors of the Corporation shall be as specified in the By-Laws of the Corporation but such number may from time to time be increased or decreased in such manner as may be prescribed by the By-Laws;

(c) Newly created directorships resulting from any increase in the authorized number of directors or any vacancy in the Board of Directors resulting from death, resignation, retirement, disqualification, removal from office or otherwise shall, subject to the provisions of and except as otherwise provided by Applicable Law, this Restated Certificate of Incorporation, the By-Laws of the Corporation or by resolution of the Board of Directors, be filled by a majority vote of the directors then in office, though less than a quorum, or by a sole remaining director, and directors so chosen shall hold office for a term expiring at the annual meeting of stockholders at which the term of office of the class of directors to which they have been chosen expires. If there are no directors in office, any officer or stockholder may call a special meeting of stockholders in accordance with the provisions of the By-Laws of the Corporation, at which meeting such vacancies shall be filled. No decrease in the authorized number of directors shall shorten the term of any incumbent director;

(d) 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. Directors need not be stockholders;

(e) In the event that any shares of Class A Common Stock or any other class of Common Stock are listed and quoted on a national securities exchange and/or quoted on the Nasdaq National Market, the Board of Directors shall ensure, and shall have all power and authority to ensure, that the membership of the Board of Directors shall at all times be consistent with the applicable rules and regulations, if any, of such exchange and/or the National Association of Securities Dealers, Inc., as the case may be, for the Class A Common Stock or any such other class of Common Stock to be eligible for listing and quotation on such exchange and/or for quotation on the Nasdaq National Market; and

(f) The Board of Directors shall ensure, and shall have all power and authority to ensure, that the composition of the Board of Directors of the Corporation and its Subsidiaries and the persons acting as officers of the Corporation and its Subsidiaries complies at all times with the provisions of the Communications Act with respect to individuals who are Aliens serving on such Boards of Directors and as such officers.

SIXTH: No director shall be personally liable to the Corporation or any

stockholder for monetary damages for breach of fiduciary duty as a director, except, in addition to any and all other requirements for such liability, (i) for any breach of such directors' duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) to the extent provided under Section 174 of the Delaware General Corporation Law, or (iv) for any transaction for which such director derived an improper personal benefit. Neither the amendment nor repeal of this Article nor the adoption of any provision of this Restated Certificate of Incorporation inconsistent with this Article shall reduce, eliminate, or adversely affect the effect of this Article in respect of any matter occurring, or any cause of action, suit or claim that, but for this Article, would accrue or arise, prior to such amendment, repeal or adoption of an inconsistent provision.

SEVENTH: Each Person who is or was or had agreed to become a director or

officer of the Corporation or who is or was serving or who had agreed to serve at the request of the Board of Directors or an officer of the Corporation as an employee or agent of the Corporation or as a director, officer, partner, member, trustee, administrator, employee or agent of another corporation, partnership, joint venture, limited liability company, trust or other enterprise (including without limitation any employee benefit plan or any trust associated therewith), shall be indemnified by the Corporation to the full extent permitted from time to time by the Delaware General Corporation Law or any other applicable laws as presently or hereafter in effect. This Article shall inure to the benefit of each such Person and his or her heirs, executors, administrators and estate. Without limiting the generality or 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. Any amendment or repeal of this Article shall not adversely affect any right or protection existing hereunder immediately prior to such amendment or repeal.

EIGHTH: In furtherance and not in limitation of the powers conferred by

the laws of the State of Delaware, the Board of Directors is expressly authorized and empowered to make, alter, amend, and repeal the By-Laws. The By-Laws of the Corporation may be amended, altered, changed or repealed, and a provision or provisions inconsistent with the provisions of the By-Laws as they exist from time to time may be adopted, only by the majority of the entire Board of Directors or with the approval or consent of the holders of not less than sixty-six and two thirds percent (66-2/3%), determined in accordance with the provisions of the second paragraph of Section A of Article FOURTH, of the total number of the then outstanding shares of stock of the Corporation entitled to vote generally in the election of directors.

NINTH: A director of the Corporation, in determining what he reasonably

believes to be in the best interests of the Corporation, shall consider the interests of the Corporation's stockholders and, in his discretion, may consider any of the following:

(a) The interests of the Corporation's employees, suppliers, creditors and customers;

(b) The economy of the nation;

(c) Community and societal interests;

(d) The ability of the Corporation to fulfill its obligations under all Applicable Laws and Governmental Authorizations; and

(e) The long-term as well as short-term interests of the Corporation and its stockholders, including the possibility that these interests may be best served by the continued independence of the Corporation.

TENTH: Except for the provisions in Articles FOURTH, FIFTH, SIXTH,

SEVENTH and EIGHTH and this Article, which shall only be amended, altered, changed or repealed with the approval, determined in accordance with the provisions of the second paragraph of Section A of Article FOURTH, of the holders of not less than sixty-six and two-thirds percent (66-2/3%) of the total number of the then outstanding shares of stock of the Corporation entitled to vote generally in the election of directors, 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 (including provisions as may hereafter be added or inserted in this Restated Certificate of Incorporation as authorized by the laws of the State of Delaware) in the manner now or hereafter prescribed by law; and all rights, preferences and privileges of whatsoever nature conferred upon stockholders, directors or any other person whomsoever by and pursuant to this Restated Certificate of Incorporation in its present form or as hereafter amended are granted, subject to the rights reserved in this Article. From time to

time any of the provisions of this Restated Certificate of Incorporation may be amended, altered or repealed, and other provisions authorized by the laws of the State of Delaware at the time in force may be added or inserted in the manner and at the time prescribed by said laws, and all rights at any time conferred upon the stockholders of the Corporation by this Restated Certificate of Incorporation are granted subject to the provisions of this Article.

CERTIFICATE OF DESIGNATION OF
PREFERENCES AND RIGHTS OF
AMERICAN TOWER SYSTEMS CORPORATION
EXCHANGE PAY-IN-KIND PREFERRED STOCK

American Tower Systems Corporation, a Delaware corporation (hereinafter called, the "Corporation"), pursuant to Section 151 of the General Corporation Law of the State of Delaware, does hereby make this Certificate of Designation and does hereby state and certify that pursuant to the authority expressly vested in the Board of Directors of the Corporation by the Restated Certificate of Incorporation of the Corporation (the "Restated Certificate"), the Board of Directors of the Corporation duly adopted the following resolution:

RESOLVED, that pursuant to Article Four of the Restated Certificate (which authorizes 20,000,000 shares of preferred stock, \$.01 par value), the Board of Directors of the Corporation hereby fixes the voting powers, designations and preferences, and the relative, participating, optional and other special rights, and the qualifications, limitations and restrictions thereof, of a series of Exchange Pay-In-Kind Preferred Stock.

RESOLVED, that each share of the Exchange Pay-In-Kind Preferred Stock shall rank equally in all respects and shall be subject to the following provisions:

SECTION 1. Designation; Rank; Outstanding Shares. This series of

Preferred Stock shall be designated "Exchange Pay-In-Kind Preferred Stock", par value \$.01 per share (the "Exchange Preferred Stock"). The liquidation preference of the Exchange Preferred Stock shall be \$1,000.00 per share (the "Liquidation Preference"). The Exchange Preferred Stock will rank, with respect to dividend rights and rights on liquidation, winding-up and dissolution, senior to all classes of Common Stock of the Corporation and all other classes of capital stock or series of preferred stock established, or to be established, by the Board of Directors of the Corporation (or, to the extent permitted by the General Corporation Law of the State of Delaware, the Executive Committee thereof (the "Board")) (collectively "Junior Securities"); provided that the Exchange Preferred Stock shall rank on a parity with the PIK Preferred Stock (as defined herein). Notwithstanding anything herein to the contrary, prior to the Exchange Date with respect to any share of Exchange Preferred Stock, such share shall not be considered outstanding for any purpose, including, without limitation, dividends, voting or rights upon liquidation, winding up or dissolution.

SECTION 2. Authorized Number. The number of shares constituting the

Exchange Preferred Stock shall be 1,300,000 shares.

SECTION 3. Dividends. (a) Holders of shares of the Exchange

Preferred Stock will be entitled to receive, when, as and if declared by the Board out of funds of the Corporation legally available for payment, cash dividends at the rates described below on the Liquidation Preference. Dividends will accrue at a rate equal to the greater of (i) the Treasury Rate calculated on the date of the closing of the initial issuance of the PIK Preferred Stock (the "Closing Date") plus the 500 basis points and (ii) the Treasury Rate calculated on the Interim Financing Maturity Date plus 650 basis points; provided that the dividend rate of the Exchange Preferred Stock pursuant to this subsection (a) shall not exceed 18% per annum. The dividends payable on shares of Exchange Preferred Stock on the first Dividend Payment Date following the Exchange Date of such shares shall be increased by the amount of any accrued but unpaid dividends on the shares of PIK Preferred Stock exchanged therefor.

(b) Dividends will be payable quarterly in arrears on June 1, September 1, December 1, and March 1 of each year, commencing on September 1, 1999 (each, a "Dividend Payment Date"), provided that if any dividend (including Additional Dividends, if any) payable on any Dividend Payment Date on or before the fifth anniversary of the Interim Financing Maturity Date is not declared and paid in full in cash on such Dividend Payment Date, the amount payable as dividends on such Dividend Payment Date that is not paid in cash on such Dividend Payment Date shall, subject to the rights of the PIK Preferred Stock, be paid on such Dividend Payment Date in additional shares of Exchange Preferred Stock having an aggregate Liquidation Preference equal to the dividends payable on such Dividend Payment Date and shall, unless such shares are not issued, be deemed paid in full and shall not accumulate, provided further that the Corporation may, at its option, pay cash in lieu of fractional shares (valued for such purpose at the Liquidation Preference of the Exchange Preferred Stock) that may otherwise be issued pursuant to the foregoing clause. Each dividend will be payable or issuable, as the case may be, to Holders of record as they appear on the stock transfer books of the Corporation on a record date, not more than 60 nor less than 10 days before the payment date, fixed by the Board. Dividends will be cumulative from the Exchange Date of such Exchange Preferred Stock.

(c) Dividends payable on the Exchange Preferred Stock for any period less than a year shall be computed on the basis of a 360-day year of twelve 30-day months and the actual number of days elapsed in the period for which payable. The amount of Additional Dividends, if any, will be determined consistent with the preceding sentence and by multiplying the applicable Additional Dividends by a fraction, the numerator of which is the number of days such rate was applicable during any Interest Period and the denominator of which is 360. The Exchange Preferred Stock will not be entitled to any dividend, whether payable in cash, property or stock, in excess of full cumulative dividends. Dividends shall cease to accumulate in respect of the Exchange Preferred Stock on the Debenture Exchange Date or on the date of their earlier redemption unless the Corporation shall have failed to issue the appropriate aggregate principal amount of Exchange Debentures in respect of the Exchange Preferred Stock on

the Debenture Exchange Date or shall have failed to pay the relevant cash redemption price on the date fixed for redemption. No interest, or sum of money in lieu of interest, will be payable in respect of any accrued and unpaid dividends. Dividends on account of arrears and dividends in connection with any optional redemption pursuant to Section 6(a) may be declared and paid at any time, without reference to any regular Dividend Payment Date, to Holders of record on such date, not more than forty-five (45) days prior to the payment thereof, as may be fixed by the Board.

(d) No full dividends may be declared or paid or funds set apart for the payment of dividends on any PIK Preferred Stock, if any, for any period unless full cumulative dividends shall have been paid (or are deemed paid) or, if payable in cash, set apart for such payment on the Exchange Preferred Stock. If full dividends are not so paid, the Exchange Preferred Stock shall share dividends pro rata with the PIK Preferred Stock, if any. No dividends may be paid or set apart for such payment on Junior Securities (except dividends on Junior Securities in additional shares of Junior Securities) and no Junior Securities may be repurchased, redeemed or otherwise retired nor may funds be set apart for payment with respect thereto, so long as any shares of Exchange Preferred Stock remain outstanding if full dividends (including Additional Dividends) have not been paid on the Exchange Preferred Stock.

(e) Registration Rights. The Holders of the Exchange Preferred Stock

are entitled to the benefit of the Registration Rights Agreement dated as of June 4, 1998, between the Corporation and the Initial Purchasers named therein ("Registration Rights Agreement"). In the event that the Corporation fails to have effective a Shelf Registration Statement (as defined in the Registration Rights Agreement) prior to the Effectiveness Date (as defined in the Registration Rights Agreement) or if the Shelf Registration Statement ceases to be effective or ceases to be useable in connection with resales of such Exchange Preferred Stock then additional dividends ("Additional Dividends") will become payable to Holders of Exchange Preferred Stock at a rate of 0.5% per annum until such default shall be cured, increasing by 0.5% at the end of each 90-day period thereafter; provided, however, that in no event shall the dividend rate on the

Exchange Preferred Stock increase by more than an aggregate of 2.0% per annum.

SECTION 4. Liquidation Rights. In the event of any voluntary or

involuntary liquidation, dissolution or winding up of the Corporation on or after the Exchange Date, before any payment or distribution of assets is made on any Junior Securities, including, without limitation, Common Stock of the Corporation, the Holders of Exchange Preferred Stock shall receive the Liquidation Preference per share plus (without duplication) an amount equal to all accumulated and unpaid dividends through the date of distribution (including any premium), and the holders of any PIK Preferred Stock shall be entitled to receive an amount equal to the full respective liquidation preferences (including any premium) to which they are entitled and shall receive an amount equal to all accumulated and unpaid dividends with respect to their respective shares through and including the date of distribution. If, upon such a voluntary or

involuntary liquidation, dissolution or winding up of the Corporation, the assets of the Corporation are insufficient to pay in full the amounts described above as payable with respect to the Exchange Preferred Stock outstanding and PIK Preferred Stock outstanding, the Holders of the outstanding Exchange Preferred Stock and such PIK Preferred Stock will share ratably in any such distribution of assets of the Corporation first in proportion to their respective liquidation preferences (including any premium) until such preferences are paid in full, and then in proportion to their respective amounts of accumulated and unpaid dividends. After payment of any such liquidation preference (including any premium) and accumulated and unpaid dividends, the shares of Exchange Preferred Stock will not be entitled to any further participation in any distribution of assets by the Corporation. For all purposes of this Certificate of Designation, accumulated dividends shall include a pro rated dividend for the period from the last Dividend Payment Date to the date fixed for liquidation, dissolution or winding up. Neither the sale or transfer of all or substantially all the assets of the Corporation, nor the merger or consolidation of the Corporation into or with any other corporation or other entity or a merger of any other corporation or other entity with or into the Corporation, will be deemed to be a liquidation, dissolution or winding up of the Corporation.

SECTION 5. Voting Rights. (a) In addition to such other vote, if

any, as may be required by Delaware law or provided by the resolution creating any other series of preferred stock to the extent such resolution refers to the Exchange Preferred Stock, so long as any shares of Exchange Preferred Stock are outstanding, the vote or consent of the Holders of a majority of the votes represented by the Exchange Preferred Stock voting together as a single class, shall be necessary to (i) increase or decrease the par value of the shares of Exchange Preferred Stock or (ii) adversely alter or adversely change the powers, preferences or other special rights of the shares of Exchange Preferred Stock. The consent of all affected holders of Exchange Preferred Stock shall be required with respect to (a) any change in redemption, exchange or voting the amount of or the method of calculating the Liquidation Preference or dividend rate or (b) any extensions of the Final Maturity Date. Except as provided above, the creation, authorization or issuance of any shares of any Junior Securities (or any security or obligation (other than Senior Securities) convertible into or evidencing the right to purchase Junior Securities) or the increase or decrease in the amount of authorized Junior Securities (or any security or obligation (other than Senior Securities) convertible into or evidencing the right to purchase Junior), shall not require the consent of Holders of Exchangeable Preferred Stock and shall not be deemed to affect adversely the rights, preferences, privileges or voting rights of Holders of Exchangeable Preferred Stock.

(b) Without the affirmative vote or consent of holders of at least a majority of the votes represented by the Exchange Preferred Stock and any PIK Preferred Stock outstanding, voting together as a single class, the Corporation shall not consolidate or merge with or into (whether or not the Corporation is the Surviving Person), or sell,

assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets in one or more related transactions, to another Person, unless:

- (i) the Surviving Person is a corporation organized or existing under the laws of the United States, any state thereof or the District of Columbia;
- (ii) the Surviving Person (if other than the Corporation) assumes all the obligations of the Corporation under this Certificate of Designation;
- (iii) at the time of and immediately after such Disposition, no Voting Rights Triggering Event shall have occurred and be continuing; and
- (iv) the Surviving Person shall at the time of such Disposition and after giving pro forma effect thereto, be permitted to incur at least \$1.00 of additional Indebtedness pursuant to the Debt to EBITDA Ratio test described under Section 10(a).

(c) (i) In the event that (1) dividends (either in cash or, on or before June 1, 2004, through the issuance of additional shares of Exchange Preferred Stock) on the Exchange Preferred Stock are in arrears and unpaid for six or more Dividend Periods (whether or not consecutive) (a "Dividend Default"); (2) the Corporation fails to redeem shares of Exchange Preferred Stock in accordance with Section 6(b) or otherwise fails to discharge any redemption obligation with respect to the Exchange Preferred Stock; (3) the Corporation fails to make an Offer to Purchase (whether pursuant to the terms of Section 7(a) or otherwise) following a Change of Control if such Offer to Purchase is required by Section 7 hereof or fails to purchase shares of Exchange Preferred Stock from Holders who elect to have such shares purchased pursuant to the Offer to Purchase; (4) the Corporation breaches or violates one of the provisions set forth in any of Sections 10(a) to (d) (inclusive) hereof and the breach or violation continues for a period of 30 days or more after the Corporation receives notice thereof specifying the default from the Holders of at least 25% of the shares of Exchange Preferred Stock then outstanding or (5) the Corporation fails to pay at the final stated maturity (giving effect to any extensions thereof) the principal amount of any Indebtedness of the Corporation or any Restricted Subsidiary of the Corporation, or the final stated maturity of any such Indebtedness is accelerated, if the aggregate principal amount of such Indebtedness, together with the aggregate principal amount of any other such Indebtedness in default for failure to pay principal at the final stated maturity (giving effect to any extensions thereof) or that has been accelerated, aggregates \$10,000,000 or more at one time, in each case, after a 30-day period during which such default shall not have been cured or such acceleration rescinded, then in the case of any of clauses (1)-(5) the maximum authorized number of directors of the Corporation will be increased by two and Holders of Exchange Preferred Stock shall be entitled to vote their shares of Exchange Preferred Stock, together with the Holders of any outstanding PIK Preferred Stock, in accordance with the procedures set forth below, to elect, as a class, an additional

two directors; provided, however, that Holders of PIK Preferred Stock and such

Exchange Preferred Stock shall not elect as director any individual who if so elected would cause the Corporation to be in violation of the Communications Act of 1934, as amended, or the rules and regulations of the FCC. Each such event described in clauses (1), (2), (3), (4) and (5) is a "Voting Rights Triggering Event". So long as shares of Exchange Preferred Stock shall be outstanding, the Holders of Exchange Preferred Stock shall retain the right to vote and elect, with the Holders of any PIK Preferred Stock, voting together as a single class without regard to series, such number of directors until such time (x) in the event such right arises due to a Dividend Default, all accumulated dividends that are in arrears on the Exchange Preferred Stock are paid in full in cash or, with respect to any Dividend Period ending on or before the fifth anniversary of the Interim Financing Maturity Date, through the issuance of additional shares of Exchange Preferred Stock; and (y) in all other cases, as the failure, breach or default giving rise to such Voting Rights Triggering Event is remedied or waived by the Holders of at least a majority of the shares of Exchange Preferred Stock then outstanding and entitled to vote thereon. Such period is hereinafter referred to as a "Default Period".

(ii) So long as any shares of Exchange Preferred Stock shall be outstanding, during any Default Period, such voting right of the Holders of Exchange Preferred Stock may be exercised initially at a special meeting called pursuant to paragraph (iii) below or at any annual meeting of stockholders. The absence of a quorum of Holders of Common Stock or any class thereof shall not affect the exercise of such voting rights by the Holders of Exchange Preferred Stock and any PIK Preferred Stock.

(iii) Unless the Holders of Exchange Preferred Stock and any PIK Preferred Stock so entitled, if any are then outstanding, have, during an existing Default Period, previously exercised their right to elect directors, the Board may order, or any stockholder or stockholders owning shares having in the aggregate not less than 5% of the votes represented by the outstanding shares of Exchange Preferred Stock and such PIK Preferred Stock, taken together as a single class, may request, the calling of a special meeting of Holders of Exchange Preferred Stock and such PIK Preferred Stock, if any are then outstanding, which meeting shall thereupon be called by the Chairman of the Board, the President, a Vice President or the Secretary of the Corporation. Notice of such meeting and of any annual meeting at which Holders of Exchange Preferred Stock and such PIK Preferred Stock are entitled to vote pursuant to this paragraph shall be given to each Holder of record of Exchange Preferred Stock by mailing a copy of such notice to such Holder at such Holder's last address as the same appears on the stock transfer books of the Corporation. Such meeting shall be called for a time not later than twenty (20) days after such order or request, or, in default of the calling of such meeting may be called on similar notice by any stockholder or stockholders owning shares having in the aggregate not less than 5% of the votes represented by the outstanding shares of Exchange Preferred Stock and such PIK Preferred Stock, taken together as a single class (who shall have, and to whom the Corporation shall provide, access to the lists of stockholders to be called pursuant to the provisions hereof). At any meeting held for the

purpose of electing directors at which the Holders of Exchange Preferred Stock and any PIK Preferred Stock shall have the right to elect directors as aforesaid, the presence in person or by proxy of the Holders owning shares having at least a majority of the votes of Exchange Preferred Stock and such PIK Preferred Stock shall be required to constitute a quorum of such Exchange Preferred Stock and such PIK Preferred Stock. Notwithstanding the provisions of this paragraph, no such special meeting shall be called during the period within ninety (90) days immediately preceding the date fixed for the next annual meeting of stockholders.

(iv) During any Default Period, the Holders of Common Stock of the Corporation, and other classes of stock of the Corporation, if applicable, shall continue to be entitled to elect all of the directors unless and until the Holders of Exchange Preferred Stock and Exchange Preferred Stock so entitled shall have exercised their right to elect two directors voting as a class, after the exercise of which right (x) the directors so elected by the Holders of Exchange Preferred Stock and such PIK Preferred Stock shall continue in office until the earlier of (A) such time as their successors shall have been elected by such Holders or (B) the expiration of the Default Period, and (y) any vacancy in the Board may be filled by vote of the remaining director or directors, if any, theretofore elected by the Holders of the class or classes of stock which elected the director whose office shall have become vacant. References in this paragraph to directors elected by the Holders of a particular class or classes of stock shall include directors elected by such director or directors to fill vacancies as provided in clause (y) of the foregoing sentence.

(v) Immediately upon the expiration of a Default Period, (x) the right of the Holders of Exchange Preferred Stock to elect directors shall cease, (y) the term of office of any directors elected by the Holders of Exchange Preferred Stock and any PIK Preferred Stock as a class shall terminate, and (z) the number of directors shall be such number as may be provided for in the Restated Certificate or bylaws of the Corporation irrespective of any increase made pursuant to the provisions of paragraph (i) of this paragraph (c) (such number being subject, however, to change thereafter in any manner provided by law or in the Restated Certificate or bylaws of the Corporation).

(vi) In any case in which the Holders of Exchange Preferred Stock shall be entitled to vote pursuant to this Section 5 or pursuant to Delaware law, each Holder of Exchange Preferred Stock entitled to vote with respect to such matter shall be entitled to one vote per \$1,000 of Liquidation Preference of each share of Exchange Preferred Stock held. In any case in which the holders of PIK Preferred Stock and the holders of Exchange Preferred Stock shall be entitled to vote as a class pursuant to this Certificate of Designation or Delaware law, each holder of PIK Preferred Stock and Exchange Preferred Stock entitled to vote with respect to such matter shall be entitled to one vote per \$1,000 of the aggregate liquidation preference of PIK Preferred Stock and Exchange Preferred Stock held by such holder. In connection with any vote of the Holders of Exchange Preferred Stock or the holders of PIK Preferred Stock and Exchange

Preferred Stock (voting as a single class), a majority of the votes properly cast upon any question shall decide the question, except in any case where a larger vote is required by the terms of this Certificate of Designation or Delaware law.

(d) Prior to the Debenture Exchange Date (as defined in Section 8(a) below), the Corporation shall not amend or modify the Indenture (as defined in Section 8(a) below), without the affirmative vote or consent of Holders of at least a majority of the outstanding shares of Exchange Preferred Stock, voting together as a single class; provided, however, that the Corporation and the Trustee (as defined in Section 8(a) below) shall be permitted, without any vote or consent of such Holders, to effect any amendments to the Indenture that could have been effected under the Indenture without the consent of Holders of Exchange Debentures (as defined in Section 8(a) below) if any Exchange Debentures were then outstanding.

SECTION 6. Redemption. (a) (Optional Redemption). After June 1,

2004, the Corporation may, at its option, redeem all or from time to time any part of the shares of Exchange Preferred Stock, out of funds legally available therefor, in the manner provided for in Section 6(c), at a price per share equal to the Liquidation Preference of the Exchange Preferred Stock to be redeemed plus (without duplication) accrued dividends to the date of such redemption plus a redemption premium equal to the product of (x) such Liquidation Preference and (y) a percentage initially equal to one-half of the dividend rate set forth in Section 3(a) declining linearly on an annual basis thereafter to zero on the date three years prior to the Final Maturity Date (as defined below); provided that no redemption pursuant to this Section 6(a) shall be authorized or made unless prior thereto full accumulated and unpaid dividends, without duplication, are declared and paid in full, or declared and a sum in cash set apart sufficient for such payment, on the Exchange Preferred Stock for all Dividend Periods terminating on or prior to the Redemption Date.

In the event of a redemption pursuant to the preceding paragraph of only a portion of the then outstanding shares of the Exchange Preferred Stock, the Corporation shall effect such redemption on a pro rata basis according to the Liquidation Preference of shares held by each Holder of the Exchange Preferred Stock, except that the Corporation may redeem such shares held by Holders of less than 100 shares (or shares held by Holders who would hold less than 100 shares as a result of such redemption), as may be determined by the Corporation.

(b) (Mandatory Redemption). The Corporation shall redeem, to the extent of funds legally available therefor, in the manner provided for in Section 6(c) hereof, all shares of the Exchange Preferred Stock then outstanding on June 1, 2010 (the "Final Maturity Date") at a redemption price equal to the Liquidation Preference plus, without duplication, accrued and unpaid dividends.

(c) (Procedures for Redemption). (i) At least thirty (30) days and not more than sixty (60) days prior to the date fixed for any redemption of the Exchange

Preferred Stock, written notice (the "Redemption Notice") shall be given by first class mail, postage prepaid, to each Holder of record on the record date fixed for such redemption of the Exchange Preferred Stock at such Holder's address as it appears on the stock register of the Corporation, provided that no failure to give such notice nor any deficiency thereon shall affect the validity of the procedure for the redemption of any shares of Exchange Preferred Stock to be redeemed except as to the Holder or Holders to whom the Corporation has failed to give said notice or except as to the Holder or Holders whose Notice was defective. The Redemption Notice shall state:

- (1) whether the redemption is pursuant to Section 6(a) or 6(b) hereof;
- (2) the redemption price;
- (3) whether all or less than all the outstanding shares of the Exchange Preferred Stock are to be redeemed and the total amount in Liquidation Preference of the Exchange Preferred Stock being redeemed;
- (4) the Redemption Date;
- (5) that the Holder is to surrender to the Corporation, in the manner, at the place or places and at the price designated, its certificate or certificates representing the shares of Exchange Preferred Stock to be redeemed; and
- (6) that dividends on the shares of the Exchange Preferred Stock to be redeemed shall cease to accumulate on such Redemption Date unless the Corporation defaults in the payment of the redemption price.

(ii) Each Holder of Exchange Preferred Stock to be redeemed shall surrender the certificate or certificates representing such shares of Exchange Preferred Stock to the Corporation, duly endorsed (or otherwise in proper form for transfer, as determined by the Corporation), in the manner and at the place designated in the Redemption Notice, and on the Redemption Date the full redemption price for such shares shall be payable in cash to the Person whose name appears on such certificate or certificates as the owner thereof, and each surrendered certificate shall be canceled and retired. In the event that less than all of the shares represented by any such certificate are redeemed, a new certificate shall be issued, without service charges, representing the unredeemed shares.

(iii) On and after the Redemption Date, unless the Corporation defaults in the payment in full of the redemption price, dividends on the Exchange Preferred Stock called for redemption shall cease to accumulate on the Redemption Date, and all rights of the Holders of redeemed shares shall terminate with respect thereto on the Redemption Date, other than the right to receive the redemption price, without interest; provided, however, that if a notice of redemption shall have been given as

provided in paragraph (c)(i) above and the funds necessary for redemption (including an amount in respect of all dividends that will accrue to the Redemption Date) shall have been irrevocably deposited in trust for the equal and ratable benefit for the Holders of the shares to be redeemed, then, at the close of business on the day on which such funds are segregated and set aside, the Holders of the shares to be redeemed shall cease to be stockholders of the Corporation and shall be entitled only to receive the redemption price without interest.

SECTION 7. Change of Control. (a) The Corporation will commence an

Offer to Purchase (as defined in paragraph (b)) all of the outstanding shares of Exchange Preferred Stock within fifteen (15) days after the occurrence of a Change of Control (as defined in paragraph (f)(i)) below.

(b) "Offer to Purchase" means a written offer ("Offer") to each Holder at such holder's address appearing in the stock books of the Corporation on the date of the Offer, offering to purchase in cash all outstanding shares of Exchange Preferred Stock at a purchase price equal to 101% of the Liquidation Preference of the Exchange Preferred Stock plus, without duplication, accrued and unpaid dividends, if any. Unless otherwise required by applicable law, the Offer shall specify an expiration date ("Expiration Date") of the Offer to Purchase which shall be, subject to any contrary requirements of applicable law, not less than thirty (30) days or more than sixty (60) days after the date of such Offer and a settlement date ("Purchase Date") for purchase of Exchange Preferred Stock within five Business Days after the Expiration Date. The Offer shall be sent by first class mail postage prepaid by the Corporation. The Offer shall contain information concerning the business of the Corporation and its Subsidiaries which the Corporation in good faith believes will enable such Holders to make an informed decision with respect to the Offer to Purchase (which at a minimum will include (i) the most recent annual and quarterly financial statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained in the documents required to be furnished to Holders pursuant to Section 9(d) (Provision of Financial Information) (which requirements may be satisfied by delivery of such documents together with the Offer), (ii) a description of material developments in the Corporation's business subsequent to the date of the latest of such financial statements referred to in clause (i) (including a description of the events requiring the Corporation to make the Offer to Purchase), (iii) if applicable, appropriate pro forma financial information concerning the Offer to Purchase and the events requiring the Corporation to make the Offer to Purchase and (iv) any other information required by applicable law to be included therein. The Offer shall contain all instructions and materials necessary to enable such Holders to tender Exchange Preferred Stock pursuant to the Offer to Purchase. The Offer shall also state:

(1) the Expiration Date and the Purchase Date;

(2) the aggregate liquidation preference of the outstanding shares of Exchange Preferred Stock (and PIK Preferred Stock, if any) offered to be purchased by the Corporation (the "Purchase Amount") pursuant to the Offer to Purchase;

(3) the Liquidation Preference per share of Exchange Preferred Stock and the purchase price to be paid by the Corporation (the "Purchase Price") for each share accepted for payment;

(4) that the Holder may tender all or any portion of the shares of Exchange Preferred Stock registered in the name of such Holder and that any portion of Exchange Preferred Stock tendered must be tendered in whole shares;

(5) the place or places where shares of Exchange Preferred Stock are to be surrendered for tender pursuant to the Offer to Purchase;

(6) that dividends on any shares of Exchange Preferred Stock not tendered or tendered but not purchased by the Corporation pursuant to the Offer to Purchase will continue to accumulate;

(7) that on the Purchase Date the Purchase Price will become due and payable upon each share of Exchange Preferred Stock being accepted for payment pursuant to the Offer to Purchase and that dividends thereon shall cease to accrue on and after the Purchase Date;

(8) that each Holder electing to tender a share of Exchange Preferred Stock pursuant to the Offer to Purchase will be required to surrender such share at the place or places specified in the Offer prior to the close of business on the Expiration Date (such share being, if the Corporation so requires, duly endorsed by, or accompanied by a written instrument of transfer in form reasonably satisfactory to the Corporation duly executed by, the Holder thereof or his attorney duly authorized in writing);

(9) that Holders will be entitled to withdraw all or any portion of Exchange Preferred Stock tendered if the Corporation receives, not later than the close of business on the Expiration Date, a telegram, telex, facsimile transmission or letter setting forth the name of the Holder, the number of shares of Exchange Preferred Stock that the Holder tendered, the certificate number representing the shares of Exchange Preferred Stock that the Holder tendered and a statement that such Holder is withdrawing all or a portion of its tender;

(10) that the Corporation shall purchase all shares of Exchange Preferred Stock duly tendered and not withdrawn pursuant to the Offer to Purchase; and

(11) that in the case of any Holder whose shares of Exchange Preferred Stock are purchased only in part, the Corporation will issue to the Holder of such shares without service charge a new certificate representing the unpurchased shares of Exchange Preferred Stock.

Any Offer to Purchase shall be governed by and effected in accordance with the Offer for such Offer to Purchase.

(c) The Corporation will comply with any securities laws and regulations, to the extent such laws and regulations are applicable to the repurchase of the Exchange Preferred Stock in connection with an Offer to Purchase.

(d) On the Purchase Date the Corporation shall (1) accept for payment the shares of Exchange Preferred Stock validly tendered pursuant to the Offer to Purchase, (2) pay to the Holders of shares so accepted the purchase price therefor in cash and (3) cancel and retire each surrendered certificate. Unless the Corporation defaults in the payment for the shares of Exchange Preferred Stock tendered pursuant to the Offer to Purchase, dividends will cease to accrue with respect to the shares of Exchange Preferred Stock tendered and all rights of Holders of such tendered shares will terminate, except for the right to receive payment therefor, on the Purchase Date.

(e) If the purchase of the Exchange Preferred Stock would violate or constitute a default under any Indebtedness of the Corporation, then, notwithstanding anything to the contrary contained above, prior to complying with the foregoing provisions, but in any event within thirty (30) days following the Change of Control, the Corporation shall use its best efforts to, as promptly as practicable, either (1) repay in full all such Indebtedness and terminate all commitments outstanding under any relevant credit agreements or (2) obtain the requisite consents, if any, under such Indebtedness required to permit the repurchase of Exchange Preferred Stock required by this Section 7. Until the requirements of the immediately preceding sentence are satisfied, the Corporation shall not make, and shall not be obligated to make, any Offer to Purchase.

(f) (i) A "Change of Control" means the occurrence of any of the following:

(a) the sale, lease or transfer, in one or a series of related

transactions, of all or substantially all of the Corporation's assets to any Person or group (as such term is used in Section 13(d)(3) of the Exchange Act) (other than the Principal Shareholders or their Related Parties),

(b) the adoption of a plan relating to the liquidation or dissolution of
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the Corporation,

(c) the acquisition, directly or indirectly, by any Person or group (as
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such term is used in Section 13(d)(3) of the Exchange Act) (other than one or more of the Principal Shareholders and their Related Parties) of 40% or more of the voting power of the voting stock of the Corporation by way of merger or consolidation or otherwise, provided that such acquisition will not constitute a "Change of Control" unless or until such Person or group owns, directly or indirectly, more of the voting power of the voting stock of the Corporation than the Principal Shareholders and their Related Parties, or

(d) the Continuing Directors cease for any reason to constitute a majority
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of the directors of the Corporation then in office.

For purposes of this definition, any transfer of an Equity Interest of an entity that was formed for the purpose of acquiring voting stock of the Corporation shall be deemed to be a transfer of such portion of such voting stock as corresponds to the portion of the equity of such entity that has been so transferred.

(ii) "Continuing Director" means any member of the Board who (i) is a member of that Board on the Closing Date or (ii) was nominated for election by either (a) one or more of the Principal Shareholders (or a Related Party thereof) or (b) the Board of Directors a majority of whom were directors at the Closing Date or whose election or nomination for election was previously approved by one or more of the Principal Shareholders or such directors.

(iii) "Immediate Family Member" means, with respect to any individual, such individual's spouse (past or current), descendants (natural or adoptive, of the whole or half blood) of the parents of such individual, such individual's grandparents and parents (natural or adoptive), and the grandparents, parents and descendants of parents (natural or adoptive, of the whole or half blood) of such individual's spouse (past or current).

(iv) "Principal Shareholders" means Steven B. Dodge and Thomas H. Stoner.

(v) "Related Party" with respect to any Principal Shareholder means (i) any 80% (or more) owned Subsidiary or Immediate Family Member (in the case of an individual) of such Principal Shareholder or (ii) any Person, the beneficiaries, stockholders, partners, owners or Persons beneficially holding an 80% or more controlling interest of which consist of such Principal Shareholder or an Immediate

Family Member, or (iii) any Person employed by the Corporation in a management capacity as of the Closing Date.

SECTION 8. Exchange Provisions. (a) Shares of Exchange Preferred

Stock will be exchangeable at the option of the Corporation, out of funds legally available therefor, in whole but not in part, on any Dividend Payment Date (any such Dividend Payment Date on which such exchange is or is to be made, the "Debenture Exchange Date"), through the issuance of the Corporation's Subordinated Exchange Debentures due 2010 (the "Exchange Debentures") in redemption of and in exchange for shares of Exchange Preferred Stock, in the manner provided in this Section 8. The Exchange Debentures will bear interest at a rate equal to the Dividend Rate of the Exchange Preferred Stock if it had remained outstanding and shall be issued pursuant to an indenture containing terms and conditions customary to notes issued in exchange for securities which are similar to the Exchange Preferred Stock (including a "Change of Control" put provision), which indenture will be in form and substance reasonably satisfactory to the Corporation and CSFBC and shall be executed prior to the Interim Financing Maturity Date (the "Indenture") it being understood that such form and substance will mirror, except with respect to specific financial terms, the exchange indenture for the 11% Pay-In-Kind Preferred Stock issued by American Radio Systems Corporation.

(b) Holders of the Exchange Preferred Stock will be entitled to receive Exchange Debentures at the rate of \$1.00 principal amount of Exchange Debentures for each \$1.00 of Liquidation Preference of Exchange Preferred Stock, including, to the extent necessary, Exchange Debentures in principal amounts less than \$1,000, provided that the Corporation shall have the right, at its

option, to pay cash in an amount equal to the principal amount of that portion of any Exchange Debenture that is not an integral multiple of \$1,000 instead of delivering an Exchange Debenture in a denomination of less than \$1,000. Such exchange may be made only if, at the time of the exchange, (i) the Corporation shall be in compliance with Section 8(d), (ii) there shall be funds legally available sufficient therefor; and (iii) immediately after giving effect to such exchange, no Default or Event of Default (as defined in the Indenture) would exist under the Indenture and no default or event of default would exist under the terms of any other of the Corporation's Indebtedness.

(c) The Corporation will mail notice of its intention to exchange through such an exchange to each Holder of record of the Exchange Preferred Stock not less than thirty (30) nor more than sixty (60) days before the Debenture Exchange Date. Such notice shall be given by first class mail, postage prepaid, to the Holders of record of shares of Exchange Preferred Stock at their respective addresses as the same shall appear on the stock transfer books of the Corporation, specifying the Debenture Exchange Date and the place where certificates for shares of Exchange Preferred Stock are to be surrendered for Exchange Debentures and stating that dividends on shares of the Exchange Preferred Stock will cease to accrue on the Debenture Exchange Date, but

neither failure to mail such notice, nor any defect therein or in the mailing thereof, to any particular Holder shall affect the sufficiency of the notice or the validity of the proceedings for exchange with respect to the other Holders. Any notice which was mailed in the manner herein provided shall be conclusively presumed to have been duly given whether or not the Holder receives the notice. If notice of exchange has been given pursuant to this subsection then (unless the Corporation defaults in issuing Exchange Debentures in exchange for the Exchange Preferred Stock or fails to pay or set aside for payment accumulated and unpaid dividends on the Exchange Preferred Stock as set forth in subsection (d) below and notwithstanding that any certificates for shares of Exchange Preferred Stock have not been surrendered for exchange) on the Debenture Exchange Date the Holders of Exchange Preferred Stock will cease to be stockholders with respect to such shares and will have no interests in or claims against the Corporation by virtue thereof (except the right to receive Exchange Debentures in exchange therefor and accumulated and unpaid dividends on the Exchange Preferred Stock to the Debenture Exchange Date and, if the Company so elects, cash in lieu of any Exchange Debenture that is in a principal amount that is not an integral multiple of \$1,000) and will have no voting, conversion or other rights with respect to such shares, and all shares of Exchange Preferred Stock will no longer be outstanding.

Upon the surrender (and endorsement, if required by the Corporation) in accordance with such notice of the certificate for shares of Exchange Preferred Stock, such certificates shall be exchanged for Exchange Debentures and such accumulated and unpaid dividends in accordance with this paragraph (c).

(d) No shares of Exchange Preferred Stock may be exchanged for Exchange Debentures unless the Corporation has paid (or is deemed to have paid) or, if payable in cash, set aside for the benefit of the Holders of the Exchange Preferred Stock all accumulated and unpaid dividends on the Exchange Preferred Stock to the Debenture Exchange Date (including an amount equal to a prorated dividend for the period from the Dividend Payment Date to the Debenture Exchange Date).

SECTION 9. No Exchange in Certain Cases. Notwithstanding the

foregoing provisions of Section 8, the Corporation shall not be entitled to exchange the Exchange Preferred Stock for Exchange Debentures if such exchange, or any term or provision of the Indenture or the Exchange Debentures, or the performance of the Corporation's obligations under the Indenture or the Exchange Debentures, shall materially violate or conflict with any Applicable Law or agreement or instrument then binding on the Corporation or if, at the time of such exchange, the Corporation is insolvent or if it would be rendered insolvent by such exchange.

SECTION 10. Certain Additional Provisions.

(a)(Limitation on Incurrence of Indebtedness and Issuance of Preferred Stock.) The Corporation will not, and will not permit any of its Restricted Subsidiaries to, create, incur, assume or directly or indirectly guarantee or in any other manner become directly or indirectly liable for ("incur") any Indebtedness (including Acquired Debt) or issue any preferred stock, except that the Corporation and its Restricted Subsidiaries may:

(x) issue (i) preferred stock that is not Disqualified Stock at any time (subject to Section 5(a)(i)), and (ii) additional shares of Exchange Preferred Stock in lieu of cash dividends as provided in Section 3(b) hereof, and

(y) incur Indebtedness or issue Disqualified Stock (subject to Section 5(a)(i), if the Debt to EBITDA Ratio of the Corporation and its Restricted Subsidiaries at the time of incurrence of such Indebtedness or issuance of such Disqualified Stock, after giving pro forma effect thereto, is (a) at any time prior to June 4, 2002 8.0:1 or less and (b) at any time thereafter 7.0:1 or less.

The foregoing limitations shall not apply to the incurrence of any of the following:

(i) Senior Bank Debt (including guarantees thereof by the Corporation's Subsidiaries) under the Senior Bank Facilities;

(ii) Existing Indebtedness;

(iii) Indebtedness represented by (1) the Exchange Debentures, (2) the PIK Preferred Stock (including preferred stock issued in the exchange offer contemplated in the definition of PIK Preferred Stock), (3) Exchange Preferred Stock issued in exchange for PIK Preferred in accordance with the terms thereof, (4) the Intercoastal Notes and (5) guarantees by Restricted Subsidiaries of (A) Senior Bank Debt and (B) any other Indebtedness of the Corporation permitted to be incurred under this Certificate of Designation;

(iv) Refinancing Indebtedness, provided that the principal amount of such

Refinancing Indebtedness shall not exceed the principal amount of Indebtedness or amount of Disqualified Stock so extended, refinanced, renewed, replaced, substituted, defeased or refunded (plus the amount of expenses incurred and premiums paid in connection therewith);

(v) intercompany Indebtedness between the Corporation and any of its Restricted Subsidiaries or among its Restricted Subsidiaries, or Equity

Interests issued by a Restricted Subsidiary in conformity with Section 10(c);

(vi) Hedging Obligations, including interest rate swap obligations, that are incurred in the ordinary course of business for the purpose of fixing or hedging interest rate risk with respect to any floating rate Indebtedness that is permitted by the terms of this Certificate of Designation to be outstanding; and

(vii) additional Indebtedness of the Corporation, which may be guaranteed by any of its Restricted Subsidiaries, in an aggregate outstanding principal amount not to exceed \$10,000,000 at any time.

(b) (Limitation on Restricted Payments). The Corporation will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly:

(i) declare or pay any dividend, or make any other distribution or payment, on any Junior Securities of the Corporation or on any Equity Interests of any Restricted Subsidiary (other than dividends or distributions payable by the Corporation in Junior Securities (other than Disqualified Stock) of the Corporation or by a Restricted Subsidiary in Equity Interests (other than Disqualified Stock) of such Restricted Subsidiary or dividends or distributions payable to the Corporation or any Restricted Subsidiary);

(ii) purchase, redeem or otherwise acquire or retire for value any Junior Securities of the Corporation or any Equity Interests of any Restricted Subsidiary or other Affiliate of the Corporation (other than any Equity Interests owned by the Corporation or any Restricted Subsidiary); or

(iii) make an Investment other than (a) a Permitted Investment or (b) Investments of the Corporation or any Restricted Subsidiary in the Corporation or any Restricted Subsidiary;

(any payment made for any of the foregoing purposes being herein referred to as a "Restricted Payment"), unless:

(I) at the time of and immediately after giving effect to the proposed Restricted Payment, no Voting Rights Triggering Event shall have occurred and be continuing or would occur as a consequence thereof,

(II) the Corporation would, at the time of such Restricted Payment and after giving pro forma effect thereto as if such Restricted Payment had been made at the beginning of the applicable four-quarter period, have

been permitted to incur at least \$1.00 of additional Indebtedness under the Debt to EBITDA Ratio test contained in Section 10(a), and

(III) at the time of and immediately after giving effect to the proposed Restricted Payment (valued at its Fair Market Value, if other than cash), the aggregate amount of all Restricted Payments (excluding all payments, investments, redemptions, repurchases, retirements and other acquisitions described in clauses (2) and (3) of the following paragraph) declared or made after March 31, 1998 shall not exceed the sum of

(A) an amount equal to the Corporation's EBITDA cumulated from March 31, 1998 to the end of the Corporation's most recently ended full fiscal quarter, taken as a single accounting period, less 1.4 times the sum of (i) the Corporation's Consolidated Interest Expense from March 31, 1998 to the end of the Corporation's most recently ended full fiscal quarter, taken as a single accounting period, plus (ii) all dividends or other distributions paid or made by the Corporation or any Restricted Subsidiary on any Disqualified Stock of the Corporation or any of its Subsidiaries during such period, plus

(B) an amount equal to the aggregate sum of all net cash proceeds received after March 31, 1998 by the Corporation from the issuance and sale of Junior Securities (other than any Disqualified Stock and other than to Restricted Subsidiaries) to the extent that such proceeds are not used to redeem, repurchase, retire or otherwise acquire (i) Junior Securities of the Corporation pursuant to clause (2) in the next paragraph or (ii) the PIK Preferred Stock, plus

(C) the aggregate net proceeds received after March 31, 1998 by the Corporation and its Restricted Subsidiaries from the sale or disposition of any Investment other than a Permitted Investment.

The foregoing provisions will not prohibit:

(1) the payment of any dividend within 60 days after the date of declaration thereof, if at such date of declaration such payment would have been permitted by the provisions of this Certificate of Designation;

(2) the redemption, repurchase, retirement or other acquisition for value of any Junior Securities of the Corporation in exchange for, or out of the proceeds of, the substantially concurrent sale (other than to the Corporation or a Restricted Subsidiary) of Junior Securities of the Corporation (other than Disqualified Stock); or

(3) Restricted Payments (other than those represented by the Sconnix Notes) made or paid since March 31, 1998 in an aggregate amount not exceeding \$5,000,000.

Payments made pursuant to clause (1) above shall nevertheless be considered Restricted Payments for purposes of computing the aggregate amount of Restricted Payments under clause (III) of the preceding paragraph. For purposes of clause (B) of the preceding paragraph, the conversion or exchange of Indebtedness or Disqualified Stock of the Corporation into Junior Securities of the Corporation (other than into Equity Interests constituting Indebtedness or Disqualified Stock) shall be deemed to be the issuance and sale by the Corporation of such Junior Securities at the time of such conversion or exchange for net cash proceeds equal to the net cash proceeds originally received by the Corporation for the Indebtedness or Disqualified Stock so converted or exchanged (or received by the Corporation for any other Indebtedness or Disqualified Stock previously converted into or exchanged for such Indebtedness or Disqualified Stock), plus any additional net cash proceeds received by the Corporation upon such conversion or exchange (or such previous conversion or exchange) and less any cash paid by the Corporation in connection therewith. For purposes of clause (B) of the preceding paragraph, the issuance of Junior Securities in connection with any merger, purchase of assets or other business combination shall not be considered to involve receipt of any cash proceeds.

(c) (Limitation on Restricted Subsidiary Equity Interests). The Corporation will not permit any Restricted Subsidiary to issue any Equity Interests, except for (i) Equity Interests issued to and held by the Corporation or a Restricted Subsidiary, and (ii) Equity Interests issued by a Person prior to the time that (A) such Person becomes a Restricted Subsidiary, (B) such Person merges with or into a Restricted Subsidiary or (C) a Restricted Subsidiary merges with or into such Person; provided that such Equity Interests were not issued or incurred by such Person in anticipation of the type of transaction contemplated by subclause (A), (B) or (C).

(d) (Provision of Financial Information). Whether or not required by the rules and regulations of the SEC, so long as any shares of Exchange Preferred Stock are outstanding, the Corporation will furnish to the Holders of Exchange Preferred Stock:

(i) all quarterly and annual financial information that would be required to be contained in a filing with the SEC on Forms 10-Q and 10-K if the Corporation were required to file such Forms, including a "Management's Discussion and

Analysis of Financial Condition and Results of Operations" and, with respect to the annual information only, a report thereon by the Corporation's independent certified public accountants, and

(ii) all reports that would be required to be filed with the SEC on Form 8-K if the Corporation were required to file such reports.

In addition, whether or not required by the rules and regulations of the SEC, the Corporation will file a copy of all such information with the SEC for public availability (unless the SEC will not accept such filing) and make such information available to investors who request it in writing.

SECTION 11. Status of Reacquired Shares. If shares of the Exchange

Preferred Stock are redeemed pursuant to Section 6 or Section 7 hereof or exchanged pursuant to Section 8 hereof, the shares so redeemed or exchanged shall, upon compliance with any statutory requirements, assume the status of authorized but unissued shares of preferred stock of the Corporation.

SECTION 12. Notices. All notices, requests, demands and other

communications hereunder shall be in writing and shall be deemed to have been duly given if delivered by hand or by first class mail, postage prepaid, or when sent by telex or telecopier (with receipt confirmed), provided a copy is also sent by first class mail, postage prepaid, or express (overnight, if possible) courier, addressed (i) in the case of a Holder of the Exchange Preferred Stock, to such Holder's address of record, and (ii) in the case of the Corporation, to the Corporation's principal executive offices to the attention of the Corporation's Chief Executive Officer and Chief Financial Officer.

SECTION 13. Amendments and Waivers. Except as otherwise set forth

herein and subject to Section 5, any right, preference, privilege or power of, or restriction provided for the benefit of, the Exchange Preferred Stock set forth herein may be amended and the observance thereof may be waived (either generally or in a particular instance and either retroactively or prospectively) with the written consent of the Corporation and the vote or consent of the Holders of a majority of the shares of Exchange Preferred Stock then outstanding, and any amendment or waiver so effected shall be binding upon the Corporation and all Holders of the Exchange Preferred Stock.

SECTION 14. Definitions. As used in this Certificate of Designation,

the following terms shall have the following meanings (with terms defined in the singular having comparable meanings when used in the plural and vice versa), unless the context otherwise requires:

"Acquired Debt" means with respect to any specified Person,

Indebtedness of any other Person existing at the time such other Person merges with or into, or becomes a Subsidiary of, such specified Person, including Indebtedness incurred

in connection with, or in contemplation of, such other Person merging with or into, or becoming a Subsidiary of, such specified Person.

"Affiliate" means, with respect to any specified Person, any other

Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control of" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with") any Person means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise; provided that beneficial ownership of 10% or more of the voting securities of a Person shall be deemed to be control.

"Applicable Law" shall mean, in respect of any Person, all provisions

of constitutions, statutes, rules, regulations and orders of governmental bodies or regulatory agencies applicable to such Person, including, without limiting the foregoing, the Licenses, the Communications Act, zoning ordinances and all environmental laws, and all orders, decisions, judgments and decrees of all courts and arbitrators in proceedings or actions to which the Person in question is a party or by which it is bound.

"Applicable Spread" has the meaning set forth in Section 3(a).

"Board" has the meaning set forth in Section 1.

"Business Day" means each Monday, Tuesday, Wednesday, Thursday and

Friday which is not a day on which banking institutions in The City of New York are authorized or obligated by law or executive order to close.

" Capital Lease Obligation" means, at any time any determination

thereof is to be made, the amount of the liability in respect of a capital lease that would at such time be required to be capitalized on the balance sheet in accordance with GAAP.

"Capital Stock" means (i) in the case of a corporation, capital stock,

(ii) in the case of any association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) or capital stock and (iii) in the case of a partnership, partnership interests (whether general or limited) and any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, such partnership.

"Cash Equivalents" means (i) United States dollars, (ii) securities

issued or directly and fully guaranteed or insured by the United States government or any agency or instrumentality thereof having maturities of less than one year from the date of acquisition, (iii) certificates of deposit and eurodollar time deposits with maturities of less than one year from the date of acquisition, bankers' acceptances with maturities of less than one year and overnight bank deposits, in each case with any lender party to any of the Senior Bank Facilities or with any domestic commercial bank having capital and surplus in excess of \$100,000,000 and a rating of "A" or better by Moody's Investors Service, Inc. or Standard & Poor's Ratings Group, a division of McGraw Hill, Inc., (iv) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clauses (ii) and (iii) entered into with any financial institution meeting the qualifications specified in clause (iii) above and (v) commercial paper having the highest rating obtainable from Moody's Investors Service, Inc. or Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies, Inc., and in each case maturing within nine months after the date of acquisition.

"Change of Control" has the meaning assigned thereto in Section

7(f)(i).

"Closing Date" has the meaning assigned thereto in Section 3(a).

"Consolidated Interest Expense" means, without duplication, with

respect to any period, the sum of (i) the interest expense and all capitalized interest of the Corporation and its Restricted Subsidiaries for such period, on a consolidated basis, including, without limitation, (a) amortization of debt discount, (b) the net cost under interest rate contracts (including amortization of debt discount), (c) the interest portion of any deferred payment obligation and (d) accrued interest, plus (ii) the interest component of any Capital Lease Obligation paid or accrued or scheduled to be paid or accrued by the Corporation during such period, determined on a consolidated basis in accordance with GAAP.

"Continuing Director" has the meaning assigned thereto in Section

7(f)(ii).

"CSFBC" means Credit Suisse First Boston Corporation.

"Debenture Exchange Date" has the meaning assigned thereto in Section

8(a).

"Debt to EBITDA Ratio" means, with respect to any date, the ratio of

(a) the aggregate principal amount of all outstanding Indebtedness (excluding Hedging Obligations, including interest rate swap obligations, that are incurred in the ordinary course of business for the purpose of fixing or hedging interest rate risk with respect to any floating rate Indebtedness that is permitted by the terms of this Certificate of Designation to be outstanding) of the Corporation and its

Restricted Subsidiaries as of such date (excluding any such Disqualified Stock held by the Corporation or a Wholly Owned Restricted Subsidiary), to (b) EBITDA of the Corporation and its Restricted Subsidiaries on a consolidated basis for the four most recent full fiscal quarters ending immediately prior to such date, determined on a pro forma basis after giving effect to each acquisition or disposition of assets made by the Corporation and its Restricted Subsidiaries from the beginning of such four-quarter period through such date as if such acquisition or disposition had occurred at the beginning of such four-quarter period.

"Default Period" means has the meaning assigned thereto in Section

5(d)(i).

"Disposition" means, with respect to any Person, any merger,

consolidation or other business combination involving such Person (whether or not such Person is the Surviving Person) or the sale, assignment, transfer, lease conveyance or other disposition of all or substantially all of such Person's assets.

"Disqualified Stock" means any Capital Stock that, by its terms (or by

the terms of any security into which it is convertible or for which it is exchangeable), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the Holder thereof (other than upon a Change of Control of the Corporation in circumstances where the Holders of the Exchange Preferred Stock would have similar rights), in whole or in part on or prior to one year after the Final Maturity Date. The amount of Disqualified Stock shall be the greater of the liquidation preference or mandatory or optional redemption price thereof.

"Dividend Default" has the meaning assigned thereto in Section

5(c)(i).

"Dividend Payment Date" has the meaning assigned thereto in Section

3(b).

"Dividend Period" means the period from the Issue Date to and

including the first Dividend Payment Date and thereafter each quarterly period commencing on each June 1, September 1, December, and March 1 and ending on the next succeeding Dividend Payment Date.

"EBITDA" of a specified person means, for any period, the consolidated

net income of such specified Person and its Restricted Subsidiaries for such period:

(i) plus (without duplication and to the extent involved in computing

such consolidated net income) (a) interest expense, (b) provision for income taxes, and (c) depreciation and amortization and other non-cash charges (including amortization of goodwill and other intangibles and barter expenses); and

(ii) minus (without duplication and to the extent involved in

computing such consolidated net income) (a) any gains (or plus losses), together with any related provision for taxes on such gains or losses, realized in connection with any sale of assets (including, without limitation, dispositions pursuant to sale and leaseback transactions), (b) any non-cash or extraordinary gains (or plus losses), together with any related provision for taxes on such extraordinary gains or losses, (c) the amount of any cash payments related to non-cash charges that were added back in determining EBITDA in any prior period, and (d) barter revenues;

provided that:

(i) the net income of any other Person (other than a Sponsored Investee) that is accounted for by the equity method of accounting shall be included only to the extent of the amount of dividends or distributions paid in cash to such specified Person whose EBITDA is being determined or a Wholly Owned Restricted Subsidiary thereof;

(ii) the net income of any other Person that is a Restricted Subsidiary (other than a Wholly Owned Restricted Subsidiary) or is an Unrestricted Subsidiary shall be included only to the extent of the amount of dividends or distributions paid in cash to such specified Person whose EBITDA is being determined or a Wholly Owned Restricted Subsidiary thereof;

(iii) the net income (loss) of any other Person acquired after the Closing Date in a pooling of interests transaction for any period prior to the date of such acquisition shall be excluded (to the extent otherwise included); and

(iv) gains or losses from sales of assets other than sales of assets acquired and held for resale in the ordinary course of business shall be excluded (to the extent otherwise included).

All of the foregoing will be determined in accordance with GAAP.

"Equity Interests" means Capital Stock and all warrants, options or

other rights to acquire Capital Stock (including any Indebtedness or
Disqualified Stock that is convertible into, or exchangeable for, Capital
Stock).

"Exchange Act" means the Securities Exchange Act of 1934 as it may be

amended and any successor act thereto.

"Exchange Date" when used with respect to any share of Exchange

Preferred Stock means the date such share is received by a Holder in
exchange for PIK Preferred Stock pursuant to the terms of the PIK Preferred
Stock.

"Exchange Debentures" has the meaning assigned thereto in Section

8(a).

"Exchange Preferred Stock" means the Corporation's series of Preferred

Stock designated Exchange Pay-In-Kind Preferred Stock, par value \$.01 per
share.

"Existing Indebtedness" means any outstanding Indebtedness of the

Corporation and its Restricted Subsidiaries as of the Issue Date or which
thereafter becomes Indebtedness of the Corporation or any of its Restricted
Subsidiaries or its Subsidiaries on the Issue Date.

"Existing Investments" means any Investments of the Corporation and

its Restricted Subsidiaries (other than Investments in Unrestricted
Subsidiaries) as of the Issue Date or which thereafter becomes an
Investment of the Corporation or any of its Restricted Subsidiaries or its
Subsidiaries on the Issue Date.

"Expiration Date" has the meaning assigned thereto in Section 7(b).

"Fair Market Value" means, with respect to any asset or property, the

sale value that would be obtained in an arm's-length transaction between an
informed and willing seller under no compulsion to sell and an informed and
willing buyer under no compulsion to buy. All determinations of Fair
Market Value shall be made by the Board and shall be evidenced by a
resolution of the Board set forth in an Officers' Certificate.

"Final Maturity Date" means has the meaning assigned in Section 6(b).

"FCC" means the Federal Communications Commission, as from time to

time constituted, created under the Federal Communications Act of 1934, or,
if at any time after the filing of this Certificate of Designation, the FCC
is not existing and performing the duties now assigned to it under such
act, then the body performing such duties at such time.

"GAAP" means generally accepted accounting principles set forth in the

opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board, or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, which are in effect on the Issue Date.

"guarantee" means a guarantee (other than by endorsement of

negotiable instruments for collection or deposit in the ordinary course of business), direct or indirect, in any manner (including, without limitation, letters of credit and reimbursement agreements in respect thereof), of all or any part of any Indebtedness.

"Hedging Obligations" means, with respect to any Person, the

Obligations of such Person under (i) interest rate swap agreements, interest rate cap agreements and interest rate collar agreements, and (ii) other agreements or arrangements designed to protect such Person against fluctuations in interest rates.

"Holders" means a Holder of shares of Exchange Preferred Stock as

reflected in the stock books of the Corporation (other than the Escrow Agent).

"Immediate Family Member" has the meaning assigned to that term in

Section 7(f)(iii).

"incur" means, with respect to any obligation of any Person, to

create, issue, incur, assume or directly or indirectly guarantee or in any other manner become directly or indirectly liable for any Indebtedness (and "incurrence", "incurred", "incurable" and "incurring" shall have meanings correlative to the foregoing).

"Indebtedness" means, with respect to any Person, whether or not

contingent, (i) all indebtedness of such Person for borrowed money or for the deferred purchase price of property or services (other than current trade liabilities incurred in the ordinary course of business and payable in accordance with customary practices) or which is evidenced by a note, bond, debenture or similar instrument, (ii) all Capital Lease Obligations of such Person, (iii) all obligations of such Person in respect of letters of credit or bankers' acceptances issued or created for the account of such Person, (iv) all Hedging Obligations of such Person, (v) all liabilities secured by any Lien on any property owned by such Person even if such Person has not assumed or otherwise become liable for the payment thereof to the extent of the value of the property subject to such Lien, and (vi) to the extent not otherwise included, any guarantee by such person of any other Person's indebtedness or other obligations described in clauses (i) through (v) above.

"Indenture" has the meaning assigned thereto in Section 8(a).

"Interim Financing Maturity Date" means June 4, 1999.

"Investments" means, with respect to any Person, all investments by

such Person in other Persons (including Affiliates of such Person) in the form of loans, guarantees, advances or capital contributions (excluding commission, travel and similar advances to officers and employees made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities of any other Person and all other items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP.

"Issue Date" means first Exchange Date.

"Junior Securities" has the meaning assigned thereto in Section 1.

"Licenses" shall mean any telephone, microwave, radio transmissions,

personal communications or other license, authorization, certificate of compliance, franchise, approval or permit, whether for the construction, the ownership or the operation of any communications tower facilities, granted or issued by the FCC and held by the Corporation or any of its Restricted Subsidiaries.

"Lien" means, with respect to any asset, any mortgage, lien, pledge,

charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law (including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in any asset and any filing of, or agreement to give, any financing statement under the "Uniform Commercial Code" (or equivalent statutes) of any jurisdiction).

"Obligations" means any principal, interest, penalties, fees,

indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

"Offer to Purchase" has the meaning assigned thereto in Section 7(b).

"Officers' Certificate" means a certificate signed by the Chairman of

the Board, the Chief Executive Officer, President, a Chief Operating Officer, a Vice President, or the Chief Financial Officer and, without duplication, by the Treasurer, an Assistant Treasurer, Controller, the Secretary or an Assistant Secretary, of the Corporation

"Permitted Investment" means:

- (i) any Investment in the Corporation or any Wholly Owned Restricted Subsidiary;
- (ii) any Investment in Cash Equivalents;
- (iii) any Investment in a Person if, as a result of such Investment, (a) such Person becomes a Wholly Owned Restricted Subsidiary of the Corporation, or (b) such Person either (1) is merged, consolidated or amalgamated with or into the Corporation or one of its Wholly Owned Restricted Subsidiaries and the Corporation or such Wholly Owned Restricted Subsidiary is the Surviving Person or the Surviving Person becomes a Wholly Owned Restricted Subsidiary, or (2) transfers or conveys all or substantially all of its assets to, or is liquidated into, the Corporation or one of its Wholly Owned Restricted Subsidiaries;
- (iv) any Investment in accounts and notes receivable acquired in the ordinary course of business;
- (v) any Existing Investment;
- (vi) notes from employees issued to the Corporation representing payment of the exercise price of options to purchase capital stock of the Corporation in an aggregate principal amount not to exceed \$2,000,000;
- (vii) Investments in Unrestricted Subsidiaries represented by shares of Common Stock of the Corporation or assets and property acquired in exchange for Common Stock of the Corporation;
- (viii) so long as no Voting Rights Triggering Event then exists or would be caused thereby, make investments in communications site and related companies in an amount not to exceed, in the aggregate, at any time, \$25,000,000 provided, however, that the Corporation or one of its Restricted Subsidiaries has executed a binding acquisition or merger agreement with such company;
- (ix) so long as no Voting Rights Triggering Event then exists or would be caused thereby, (x) establish Unrestricted Subsidiaries and (y) make investments in such Unrestricted Subsidiaries or in non-Wholly-Owned Restricted Subsidiaries of up to, in the aggregate, at any time, \$50,000,000 (subject to reduction as provided in the definition of Unrestricted Subsidiary); and
- (x) the Sconnix Note.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"PIK Preferred Stock" means the Corporation's series of Preferred Stock designated Series A Redeemable Pay-In-Kind Preferred Stock, par value \$.01 per share, and, except for Section 3(a) and the definition of Exchange Date, also includes one other series of the Corporation's preferred stock to be designated that (i) has identical terms to the Exchange Preferred Stock in all material respects except as permitted by the Registration Rights Agreement and (ii) is to be issued in exchange for PIK Preferred Stock in an exchange offer as contemplated by the Registration Rights Agreement.

"Principal Shareholder" has the meaning assigned to that term in 7(f)(iv).

"Purchase Date" has the meaning assigned thereto in Section 7(b).

"Redemption Date" with respect to any shares of Exchange Preferred Stock, means the date on which such shares of Exchange Preferred Stock are redeemed by the Corporation.

"Redemption Notice" has the meaning assigned thereto in Section 6(c).

"Refinancing Indebtedness" means (i) Indebtedness of the Corporation or any Restricted Subsidiary incurred or given in exchange for, or the proceeds of which are used to, extend, refinance, renew, replace, substitute, defease or refund any other Indebtedness or Disqualified Stock incurred by the Corporation in accordance with the terms of this Certificate of Designation, and (ii) Indebtedness of any Restricted Subsidiary incurred or given in exchange for, or the proceeds of which are used to, extend, refinance, renew, replace, substitute, defease or refund any other Indebtedness or Disqualified Stock of the Corporation or any Restricted Subsidiary in accordance with the terms of this Certificate of Designation.

"Registration Rights Agreement" has the meaning assigned thereto in Section 3(e).

"Related Party" has the meaning assigned to that term in 7(f)(v).

"Restricted Payment" has the meaning assigned thereto in Section 10(b).

"Restricted Subsidiary" means a Subsidiary of the Corporation other than an Unrestricted Subsidiary.

"SEC" means the Securities and Exchange Commission, as from time to time constituted, created under the Exchange Act.

"Senior Bank Debt" means (i) the Indebtedness outstanding under the Senior Bank Facilities, provided that Senior Bank Debt under this clause (i) shall not exceed the difference between (a) the sum of \$1,050,000,000 plus any borrowings and letters of credit under the Senior Bank Facilities after the Issue Date to the extent that such borrowings or letters of credit at the time of incurrence or issuance, as the case may be, resulted in combined Indebtedness under the Senior Bank Facilities exceeding the sum of \$1,050,000,000 and to the extent that such borrowings or letters of credit at the time of incurrence or issuance, as the case may be, were permitted under Section 10(a) and (b) the aggregate amount of net proceeds from asset sales applied to permanently reduce the level of permitted borrowings under the Senior Bank Facilities pursuant to the terms thereof Indebtedness and (ii) all Obligations incurred by or owing to the holders or their agent or representatives of such Indebtedness outstanding under the Senior Bank Facilities (including, but not limited to, all fees and expenses of counsel and all other interest, charges, fees and expenses).

"Senior Bank Facilities" means that certain Amended and Restated Loan Agreement dated as of October 15, 1997 by and among the Corporation, as Borrower, the financial institutions parties thereto, as Banks, and Toronto Dominion (Texas), Inc., as Administrative Agent, as amended by that certain First Amendment to Amended and Restated Loan Agreement dated as of December 31, 1997, that certain Assumption Agreement dated as of January 21, 1998, that certain Second Amendment to Amended and Restated Loan Agreement dated as of March 27, 1998, and that certain Third Amendment to Amended and Restated Loan Agreement dated as of May 11, 1998, as such agreement may be amended, replaced or refinanced by one or more credit agreements consistent, in the reasonable judgement of CSFBC, with the term sheets dated April 2, 1998 from TD Securities (USA), Inc. to (i) the Corporation in respect of a senior subordinated credit facility in the aggregate principal amount of \$150,000,000 and (ii) to American Tower Systems (Delaware), Inc. and American Tower Systems, L.P. in respect of senior secured credit facilities in the aggregate principal amount of \$900,000,000 (true, correct and complete copies of which have been delivered to CSFBC).

"Subsidiary" means, with respect to any Person, any corporation, association or other business entity of which more than 50% of the total voting power of shares of Equity Interests entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees or other governing body thereof is at the time owned or controlled by such Person (regardless of whether such Equity Interests are owned directly or through one or more other Subsidiaries of such Person or a combination thereof).

"Surviving Person" means, with respect to any Person involved in or

that makes any Disposition, the Person formed by or surviving such
Disposition or the Person to which such Disposition is made.

"Treasury Rate" means (i) the rate borne by direct obligations of the

United States maturing on the eleventh anniversary of the date of
calculation of such rate and (ii) if there are no such obligations, the
rate determined by linear interpolation between the rates borne by the two
direct obligations of the United States maturing closest to, but
straddling, the eleventh anniversary of such calculation date, in each case
as published by the Board of Governors of the Federal Reserve System.

"Unrestricted Subsidiary" means any Subsidiary of the Corporation that

at the time of determination shall be an Unrestricted Subsidiary (as
designated by the Board of Directors of the Corporation, as provided below)
and (vi) any Subsidiary of an Unrestricted Subsidiary. The Board of
Directors of the Corporation may designate any Subsidiary of the
Corporation (including any newly acquired or newly formed Subsidiary) to be
an Unrestricted Subsidiary if all of the following conditions apply: (a)
neither the Corporation nor any of its Restricted Subsidiaries provides
credit support for any Indebtedness of such Subsidiary (including any
undertaking, agreement or instrument evidencing such Indebtedness), (b)
such Subsidiary is not liable, directly or indirectly, with respect to any
Indebtedness other than Unrestricted Subsidiary Indebtedness, (c) such
Unrestricted Subsidiary is not a party to any agreement, contract,
arrangement or understanding at such time with the Corporation or any
Restricted Subsidiary of the Corporation unless the terms of any such
agreement, contract, arrangement or understanding are no less favorable to
the Corporation or such Restricted Subsidiary than those that might be
obtained at the time from Persons who are not Affiliates of the Corporation
(the "Third Party Value") or, in the event such condition is not satisfied,
an amount equal to the value of the portion of such agreement, contract,
arrangement or understanding to such Subsidiary in excess of the Third
Party Value shall be deemed a Restricted Payment, and (d) such Unrestricted
Subsidiary does not own any Capital Stock of any Subsidiary of the
Corporation that has not theretofore been or is not simultaneously being
designated an Unrestricted Subsidiary. Any such designation by the Board of
Directors of the Corporation shall be evidenced by a board resolution
giving effect to such designation and an Officers' Certificate certifying
that such designation complies with the foregoing conditions. The Board of
Directors of the Corporation may designate any Unrestricted Subsidiary as a
Restricted Subsidiary; provided that (i) immediately after giving effect to

such designation, the Corporation could incur \$1.00 of additional
Indebtedness pursuant to the restrictions under Section 10(a) and (ii) all
Indebtedness of such Unrestricted Subsidiary shall be deemed to be incurred
on the date such Subsidiary is designated a Restricted Subsidiary (it being
understood that any such designation

of a Restricted Subsidiary as an Unrestricted Subsidiary shall be an investment of the Corporation and subject to the restrictions contained in Section 10(b) hereof).

"Unrestricted Subsidiary Indebtedness" of any Unrestricted Subsidiary

means Indebtedness of such Unrestricted Subsidiary (i) as to which neither the Corporation nor any Restricted Subsidiary is directly or indirectly liable (by virtue of the Corporation or any such Restricted Subsidiary being the primary obligor on, guarantor of, or otherwise liable in any respect to, such Indebtedness) and (ii) which, upon the occurrence of a default with respect thereto, does not result in, or permit any Holder of any Indebtedness of the Corporation or any Restricted Subsidiary to declare, a default on such Indebtedness of the Corporation or any Restricted Subsidiary or cause the payment thereof to be accelerated or payable prior to its stated maturity.

"Voting Rights Triggering Event" has the meaning assigned thereto in

Section 5.

"Wholly Owned Restricted Subsidiary" means any Restricted Subsidiary

all of the outstanding Equity Interests (other than directors' qualifying shares) of which are owned, directly or indirectly, by the Corporation or a Surviving Person of any Disposition involving the Corporation, as the case may be.

IN WITNESS WHEREOF, the undersigned and the Company have caused this Agreement to be duly executed as of the date first above written.

AMERICAN TOWER SYSTEMS CORPORATION

By: _____

Name:

Title:

CERTIFICATE OF DESIGNATION OF
PREFERENCES AND RIGHTS OF
AMERICAN TOWER SYSTEMS CORPORATION
SERIES A REDEEMABLE PAY-IN-KIND PREFERRED STOCK

American Tower Systems Corporation, a Delaware corporation (hereinafter called, the "Corporation"), pursuant to Section 151 of the General Corporation Law of the State of Delaware, does hereby make this Certificate of Designation and does hereby state and certify that pursuant to the authority expressly vested in the Board of Directors of the Corporation by the Restated Certificate of Incorporation of the Corporation (the "Restated Certificate"), the Board of Directors of the Corporation duly adopted the following resolution:

RESOLVED, that pursuant to Article Four of the Restated Certificate (which authorizes 20,000,000 shares of preferred stock, \$.01 par value), the Board of Directors of the Corporation hereby fixes the voting powers, designations and preferences, and the relative, participating, optional and other special rights, and the qualifications, limitations and restrictions thereof, of the Series A Redeemable Pay-In-Kind Preferred Stock.

RESOLVED, that each share of the Series A Redeemable Pay-In-Kind Preferred Stock shall rank equally in all respects and shall be subject to the following provisions:

SECTION 1. Designation; Rank. This series of preferred stock shall

be designated "Series A Redeemable Pay-In-Kind Preferred Stock", par value \$.01 per share (the "PIK Preferred Stock"). The liquidation preference of the PIK Preferred Stock shall initially be \$1,000 per share, and is subject to increase in accordance with Section 3(c) hereof (the "Liquidation Preference"). The PIK Preferred Stock will rank, with respect to dividend rights and rights on liquidation, winding-up and dissolution, senior to all classes of Common Stock of the Corporation, and all other classes of capital stock or series of preferred stock established, or to be established, by the Board of Directors of the Corporation (or, to the extent permitted by the General Corporation Law of the State of Delaware, the Executive Committee thereof (the "Board of Directors")) (collectively "Junior Securities"); provided that the PIK Preferred Stock shall rank on a parity with the Exchange Preferred Stock (as defined herein), if and when issued.

SECTION 2. Authorized Number. The number of shares constituting the

PIK Preferred Stock shall be 400,000 shares and the initial aggregate Liquidation Preference of the PIK Preferred Stock shall be \$400,000,000.

SECTION 3. Dividends. (a) Holders of shares of the PIK Preferred

Stock will be entitled to receive, when, as and if declared by the Board of Directors out of funds of the Corporation legally available for payment, cash dividends at the rates set forth below. Prior to June 4, 1999 (the "Interim Financing Maturity Date"), dividends will accrue at a rate equal to Three Month LIBOR then in effect, plus the Applicable Spread, multiplied by the then current Liquidation Preference per share of the PIK Preferred Stock. The "Applicable Spread" will initially be 500 basis points and will increase by 25 basis points at the end of (i) the first 90 days following the Issue Date and (ii) each 45 day period thereafter until the Interim Financing Maturity Date, provided that the dividend rate on the PIK Preferred Stock in effect at any time prior to the Interim Financing Maturity Date will not exceed 18% per annum.

(b) After the Interim Financing Maturity Date, the PIK Preferred Stock will accrue dividends, to the extent not exchanged by the Holders thereof or otherwise redeemed by the Corporation, at a rate equal to the greater of (i) the dividend rate payable on the Exchange Preferred Stock or (ii) the dividend rate payable on the PIK Preferred Stock on the Interim Financing Maturity Date plus 2% per annum.

(c) Dividends will be payable quarterly in arrears on June 1, September 1, December 1, and March 1 of each year, commencing September 1, 1998 (each, a "Dividend Payment Date"). If any dividend payable on any Dividend Payment Date is not declared and paid in full in cash on such Dividend Payment Date, the amount payable on such Dividend Payment Date that is not paid in cash on such Dividend Payment Date shall, subject to the rights of the Exchange Preferred Stock, be paid-in-kind and will be deemed paid in full and shall not accumulate. Such in-kind dividends will be effected by a pro rata increase in the Liquidation Preference of the outstanding PIK Preferred Stock equal to the amount of dividends payable and not paid in cash on such Dividend Payment Date. Each Holder of PIK Preferred Stock shall be entitled to receive, upon written request to the Corporation, a copy of the Corporation's records with respect to the Liquidation Preference of such Holder's PIK Preferred Stock. Each cash dividend will be payable to Holders of record as they appear on the stock transfer books of the Corporation on a record date, not more than sixty (60) nor less than ten (10) days before the dividend payment date, fixed by the Board of Directors. Dividends will be cumulative from the date of issuance of the relevant PIK Preferred Stock.

(d) All payments shall be made without withholding or deduction for, or on account of, any present or future taxes or duties except as required by applicable law. If, after the Issue Date as a result of (a) any amendment to, or change in, applicable law (or any regulations thereunder) or (b) any amendment to or change in, an interpretation or application of such law or regulations, any increased withholding or deduction is required to be made to the extent that such deduction or withholding is not refundable or otherwise creditable against any regular tax liability, additional amounts will be required to be paid as will result in holders receiving such amounts as they would have received had no such increased withholding or deduction been required.

(e) Dividends payable on the PIK Preferred Stock for any period less than a year shall be computed on the basis of a 360-day year of twelve 30-day months and the actual number of days elapsed in the period for which payable. The PIK Preferred Stock will not be entitled to any dividend, whether payable in cash, property, stock or increase in Liquidation Preference, in excess of full cumulative dividends. Dividends shall cease to accumulate in respect of the PIK Preferred Stock on the date of their exchange or redemption unless the Corporation shall have failed to issue the appropriate aggregate liquidation preference of Exchange Preferred Stock in respect of the PIK Preferred Stock on such date fixed for exchange ("Preferred Exchange Date") or shall have failed to pay the relevant cash redemption price on the date fixed for redemption. No interest, or sum of money in lieu of interest, will be payable in respect of any accrued and unpaid dividends. Dividends on account of arrears and dividends in connection with any optional redemption pursuant to Section 6(a) may be declared and paid at any time, without reference to any regular Dividend Payment Date, to Holders of record on such date, not more than forty-five (45) days prior to the payment thereof, as may be fixed by the Board of Directors.

(f) No full dividends may be declared or paid or funds set apart for the payment of dividends on any Exchange Preferred Stock for any period unless full cumulative dividends shall have been paid (or are deemed paid) or, if payable in cash, set apart for such payment on the PIK Preferred Stock. If full dividends are not so paid, the PIK Preferred Stock shall share dividends pro rata with the Exchange Preferred Stock, if any. No dividends may be paid or set apart for such payment on any Junior Securities (except dividends on Junior Securities in additional shares of Junior Securities) unless cash dividends are paid on the PIK Preferred Stock for the Dividend Period during which such dividends on any Junior Securities are paid or set apart and no Junior Securities may be repurchased, redeemed or otherwise retired nor may funds be set apart for payment with respect thereto, so long as any shares of PIK Preferred Stock remain outstanding.

SECTION 4. Liquidation Rights. In the event of any voluntary or

involuntary liquidation, dissolution or winding up of the Corporation, before any payment or distribution of assets is made on any Junior Securities, including, without limitation, Common Stock of the Corporation, the Holders of PIK Preferred Stock shall receive the Liquidation Preference (including any Redemption Premium) per share and shall be entitled to receive, without duplication, an amount equal to all accumulated and unpaid dividends through the date of distribution, and the holders of any Exchange Preferred Stock shall be entitled to receive an amount equal to the full respective liquidation preferences (including any Redemption Premium) to which they are entitled and shall receive an amount equal to all accumulated and unpaid dividends with respect to their respective shares through and including the date of distribution. If, upon such a voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the assets of the Corporation are insufficient to pay in full the amounts described above as payable with respect to the outstanding PIK Preferred Stock and any Exchange Preferred Stock outstanding, the Holders of the outstanding PIK Preferred Stock and holders of any

such Exchange Preferred Stock will share ratably in any such distribution of assets of the Corporation first in proportion to their respective liquidation preferences (including any premium) until such preferences are paid in full, and then in proportion to their respective amounts of accumulated and unpaid dividends. After payment of any such Liquidation Preference (including any Redemption Premium) and accumulated and unpaid dividends, the shares of PIK Preferred Stock will not be entitled to any further participation in any distribution of assets by the Corporation. For all purposes of this Certificate of Designation, accumulated dividends shall include a pro rated dividend for the period from the last Dividend Payment Date to the date fixed for liquidation, dissolution or winding up. Neither the sale or transfer of all or substantially all the assets of the Corporation, nor the merger or consolidation of the Corporation into or with any other corporation or other entity or a merger of any other corporation or other entity with or into the Corporation, will be deemed to be a liquidation, dissolution or winding up of the Corporation.

SECTION 5. Voting Rights. (a) In addition to such other vote, if

any, as may be required by Delaware law or provided by the resolution creating any other series of preferred stock to the extent such resolution refers to the PIK Preferred Stock, so long as any shares of PIK Preferred Stock are outstanding, the vote or consent of the holders of a majority of the votes represented by the PIK Preferred Stock, shall be necessary to (i) increase or decrease the par value of the shares of PIK Preferred Stock, (ii) adversely alter or adversely change the powers, preferences or other special rights of the shares of PIK Preferred Stock, or (iii) issue Junior Securities, except for Junior preferred stock in accordance with Section 9(a)(viii) or Common Stock. The consent of all affected Holders of PIK Preferred Stock shall be required with respect to (a) any change in redemption, exchange or voting rights or the amount of or the method of calculating the Liquidation Preference or dividend rate or (b) any extensions of the Interim Financing Maturity Date.

(b) Prior to the issuance of any Exchange Preferred Stock, the Corporation shall not amend or modify the Corporation's Certificate of Designation relating to the Exchange Preferred Stock (the "Exchange Certificate of Designation"), without the affirmative vote or consent of Holders of at least a majority of the votes represented by the outstanding shares of PIK Preferred Stock; provided, however, that the Corporation shall be permitted, without any

vote or consent of such Holders, to effect any amendments to the Exchange Certificate of Designation that could have been effected under the Exchange Certificate of Designation without the consent of holders of Exchange Preferred Stock if any Exchange Preferred Stock were then outstanding.

(c) The Corporation shall not amend the Senior Bank Facilities, in any material respect, without the affirmative vote of the Holders of a majority of the votes represented by the outstanding shares of PIK Preferred Stock and any outstanding Exchange Preferred, voting together as a single class.

(d) Without the affirmative vote or consent of Holders of at least a majority of the votes represented by the PIK Preferred Stock and any outstanding

Exchange Preferred Stock, voting as a single class, the Corporation shall not consolidate or merge with or into (whether or not the Corporation is the Surviving Person), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets in one or more related transactions, to another Person, unless:

(i) the Surviving Person is a corporation organized or existing under the laws of the United States, any state thereof or the District of Columbia;

(ii) the Surviving Person (if other than the Corporation) assumes all the obligations of the Corporation under this Certificate of Designation and the Exchange Certificate of Designation; and

(iii) at the time of and immediately after such Disposition, no Voting Rights Triggering Event shall have occurred and be continuing.

(e) (i) In the event that (1) the Corporation fails to redeem shares of PIK Preferred Stock in accordance with Section 6(b) or otherwise fails to discharge any redemption obligation with respect to the PIK Preferred Stock (other than redemption on the Interim Financing Maturity Date); (2) the Corporation fails to make an Offer to Purchase (whether pursuant to the terms of Section 7(e) or otherwise) following a Change of Control if such Offer to Purchase is required by Section 7 hereof or fails to purchase shares of PIK Preferred Stock from Holders who elect to have such shares purchased pursuant to any Offer to Purchase; (3) the Corporation breaches or violates one of the provisions set forth in any of Sections 9(a) through 9(c) (inclusive), 9(e) through 9(i) (inclusive) or 10(a), 10(b) or 10(d) hereof and the breach or violation continues for a period of 30 days or more after the Corporation receives notice thereof specifying the default from the Holders of at least 25% of the shares of PIK Preferred Stock then outstanding, (4) the Corporation breaches or violates one of the provisions set forth in Section 5(c), 9(d) or 10(c); (5) the Corporation or any Restricted Subsidiary shall default or permit a default or defaults under the Senior Bank Facilities which default remains uncured for the lesser of (i) 30 days or (ii) the applicable grace period under the Senior Bank Facilities or (6) the Corporation or any Restricted Subsidiary of the Corporation fails to pay at the final stated maturity (giving effect to any extensions thereof) the principal amount of any Indebtedness of the Corporation or any Restricted Subsidiary of the Corporation, or the final stated maturity of any such Indebtedness is accelerated, if, in any such case, the aggregate principal amount of such Indebtedness, together with the aggregate principal amount of any other such Indebtedness in default for failure to pay principal at the final stated maturity (giving effect to any extensions thereof) or that has been accelerated, aggregates \$5,000,000 or more at one time, in each case, after a 30-day period during which such default shall not have been cured or such acceleration rescinded, then in the case of events described in any of clauses (1)-(6) the maximum authorized number of directors of the Corporation will be increased by two and Holders of PIK Preferred Stock shall be entitled to vote their shares of PIK Preferred Stock, together with the holders of any Exchange Preferred Stock to the extent such vote is

provided under the terms of the Exchange Preferred Stock, in accordance with the procedures set forth below, to elect, as a class, an additional two directors; provided, however, that Holders of PIK Preferred Stock and such Exchange Preferred Stock shall not elect as director any individual who if so elected would cause the Corporation to be in violation of the Communications Act of 1934, as amended, or the rules and regulations of the FCC. Each such event described in clauses (1), (2), (3), (4), (5) and (6) is a "Voting Rights Triggering Event". So long as shares of PIK Preferred Stock shall be outstanding, the Holders of PIK Preferred Stock shall retain the right to vote and elect, with the holders of any Exchange Preferred Stock, voting together as a single class without regard to series, such number of directors until such time the failure, breach or default giving rise to such Voting Rights Triggering Event is remedied or waived by the Holders of at least a majority of the shares of PIK Preferred Stock then outstanding and entitled to vote thereon. Such period is hereinafter referred to as a "Default Period".

(ii) So long as any shares of PIK Preferred Stock shall be outstanding, during any Default Period, such voting right of the Holders of PIK Preferred Stock may be exercised initially at a special meeting called pursuant to paragraph (iii) below or at any annual meeting of stockholders. The absence of a quorum of holders of Common Stock or any class thereof shall not affect the exercise of such voting rights by the Holders of PIK Preferred Stock and holders of any Exchange Preferred Stock.

(iii) Unless the Holders of PIK Preferred Stock and holders of any Exchange Preferred Stock so entitled, if any are then outstanding, have, during an existing Default Period, previously exercised their right to elect directors, the Board of Directors may order, or any stockholder or stockholders owning shares having in the aggregate not less than 5% of the votes represented by the outstanding shares of PIK Preferred Stock and such Exchange Preferred Stock, taken together as a single class, may request, the calling of a special meeting of Holders of PIK Preferred Stock and such Exchange Preferred Stock, if any are then outstanding, which meeting shall thereupon be called by the Chairman of the Board, the President, a Vice President or the Secretary of the Corporation. Notice of such meeting and of any annual meeting at which Holders of PIK Preferred Stock and holders of such Exchange Preferred Stock are entitled to vote pursuant to this paragraph shall be given to each Holder of record of PIK Preferred Stock by mailing a copy of such notice to such Holder at such Holder's last address as the same appears on the stock transfer books of the Corporation. Such meeting shall be called for a time not later than twenty (20) days after such order or request, or, in default of the calling of such meeting may be called on similar notice by any stockholder or stockholders owning shares having in the aggregate not less than 5% of the votes represented by the outstanding shares of PIK Preferred Stock and such Exchange Preferred Stock, taken together as a single class (who shall have, and to whom the Corporation shall provide, access to the lists of stockholders to be called pursuant to the provisions hereof). At any meeting held for the purpose of electing directors at which the Holders of PIK Preferred Stock and holders of any Exchange Preferred Stock shall have the right to elect directors as aforesaid, the presence in person or by proxy of the holders

owning shares having at least a majority of the votes of PIK Preferred Stock and holders of such Exchange Preferred Stock shall be required to constitute a quorum of such PIK Preferred Stock and such Exchange Preferred Stock.

Notwithstanding the provisions of this paragraph, no such special meeting shall be called during the period within ninety (90) days immediately preceding the date fixed for the next annual meeting of stockholders.

(iv) During any Default Period, the holders of Common Stock of the Corporation, and other classes of stock of the Corporation, if applicable, shall continue to be entitled to elect all of the directors unless and until the Holders of PIK Preferred Stock and holders of Exchange Preferred Stock so entitled shall have exercised their right to elect two directors voting as a class, after the exercise of which right (x) the directors so elected by the Holders of PIK Preferred Stock and such holders of Exchange Preferred Stock shall continue in office until the earlier of (A) such time as their successors shall have been elected by such holders or (B) the expiration of the Default Period, and (y) any vacancy in the Board of Directors may be filled by vote of the remaining director or directors, if any, theretofore elected by the holders of the class or classes of stock which elected the director whose office shall have become vacant. References in this paragraph to directors elected by the holders of a particular class or classes of stock shall include directors elected by such director or directors to fill vacancies as provided in clause (y) of the foregoing sentence.

(v) Immediately upon the expiration of a Default Period, (x) the right of the Holders of PIK Preferred Stock and holders of any Exchange Preferred Stock to elect directors shall cease, (y) the term of office of any directors elected by the Holders of PIK Preferred Stock and holders of any Exchange Preferred Stock as a class shall terminate, and (z) the number of directors shall be such number as may be provided for in the Restated Certificate or bylaws of the Corporation irrespective of any increase made pursuant to the provisions of paragraph (i) of this paragraph (e) (such number being subject, however, to change thereafter in any manner provided by law or in the Restated Certificate or bylaws of the Corporation).

(f) In any case in which the Holders of PIK Preferred Stock shall be entitled to vote pursuant to this Certificate of Designation or pursuant to Delaware law, each Holder of PIK Preferred Stock entitled to vote with respect to such matter shall be entitled to one vote per \$1,000 of the aggregate Liquidation Preference of shares of PIK Preferred Stock held. In any case in which the Holders of PIK Preferred Stock and the holders of Exchange Preferred Stock shall be entitled to vote as a class pursuant to this Certificate of Designation or Delaware law, each holder of PIK Preferred Stock and Exchange Preferred Stock entitled to vote with respect to such matter shall be entitled to one vote per \$1,000 of the aggregate liquidation preference of PIK Preferred Stock and Exchange Preferred Stock held by such holder. In connection with any vote of the Holders of PIK Preferred Stock or the holders of PIK Preferred Stock and Exchange Preferred Stock (voting as a single class), a majority of the votes properly cast upon any

question shall decide the question, except in any case where a larger vote is required by the terms of this Certificate of Designation or Delaware law.

SECTION 6. Redemption. (a) At any time, the Corporation may, at its

option, redeem all or from time to time any part of the shares of PIK Preferred Stock, out of funds legally available therefor, in the manner provided for in Section 6(c), at a price per share equal to the Redemption Price, provided that no redemption pursuant to this Section 6(a) shall be authorized or made unless prior thereto full accumulated and unpaid dividends, without duplication, are or are deemed declared and paid in full, or declared and a sum in cash set apart sufficient for such payment, on the PIK Preferred Stock for all Dividend Periods terminating on or prior to the Redemption Date. Notwithstanding the foregoing, the Corporation shall not effect a partial redemption pursuant to this subsection to the extent that the initial aggregate Liquidation Preference relating to the PIK Preferred Stock to be outstanding following such partial redemption shall be less than \$100,000,000.

In the event of a redemption pursuant to the preceding paragraph of only a portion of the then outstanding shares of the PIK Preferred Stock, the Corporation shall effect such redemption on a pro rata basis according to Liquidation Preference held by each Holder of the PIK Preferred Stock.

(b) On the Interim Financing Maturity Date, the Corporation shall redeem, to the extent of funds legally available therefor, in the manner provided for in Section 6(c) hereof, all the shares of the PIK Preferred Stock then outstanding at the Redemption Price then in effect. In addition, the Corporation shall redeem, to the extent of funds legally available therefor, in the manner provided for in Section 6(c) hereof, all of the shares of the PIK Preferred Stock then outstanding at the Redemption Price with (a) 100% of the Net Proceeds of the incurrence of Indebtedness (other than drawings under the Senior Bank Facilities) of the Company and the Restricted Subsidiaries, (b) 100% of the Net Proceeds of issuances of equity securities of the Corporation and the Restricted Subsidiaries, (c) 100% of the Net Proceeds of all Asset Sales and (d) 100% of Excess Cash Flow, in each case to the extent such proceeds are not used to repay Indebtedness incurred under the Senior Bank Facilities or, in the case of Asset Sales, reinvested as permitted under Section 9(d) hereof or under the Senior Bank Facilities, provided that the Corporation shall only be required to redeem PIK Preferred Stock when and if the aggregate amount of funds available for such mandatory redemption exceeds \$5 million. In the event that any Exchange Preferred Stock shall be outstanding when any mandatory redemption pursuant to the preceding sentence is required, such redemption shall be made pro rata based on Liquidation Preference (plus the Redemption Premium) among the PIK Preferred Stock and the Liquidation Preference of the Exchange Preferred Stock (plus the applicable redemption premium) as if such classes were one class of preferred stock.

(c) (Procedures for Redemption). (i) At least thirty (30) days and not more than sixty (60) days prior to the date fixed for any redemption of the PIK Preferred Stock, written notice (the "Redemption Notice") shall be given by first class mail, postage prepaid, to each Holder of record on the record date fixed for such redemption of the PIK Preferred Stock at such Holder's address as it appears on the stock register of the Corporation, provided that no failure to give such notice nor any deficiency thereon shall affect the validity of the procedure for the redemption of any shares of PIK Preferred Stock to be redeemed except as to the Holder or Holders to whom the Corporation has failed to give said notice or except as to the Holder or Holders whose Notice was defective. The Redemption Notice shall state:

(1) whether the redemption is pursuant to Section 6(a) or 6(b) hereof;

(2) the Redemption Price;

(3) whether all or less than all the outstanding shares of the PIK Preferred Stock are to be redeemed and the total amount in Liquidation Preference of the PIK Preferred Stock being redeemed;

(4) the Redemption Date;

(5) that the Holder is to surrender to the Corporation, in the manner, at the place or places and at the price designated, its certificate or certificates representing the shares of PIK Preferred Stock to be redeemed; and

(6) that dividends on the shares of the PIK Preferred Stock to be redeemed shall cease to accumulate on such Redemption Date unless the Corporation defaults in the payment of the Redemption Price.

(ii) Each Holder of PIK Preferred Stock to be redeemed shall surrender the certificate or certificates representing such shares of PIK Preferred Stock to the Corporation, duly endorsed (or otherwise in proper form for transfer, as determined by the Corporation), in the manner and at the place designated in the Redemption Notice, and on the Redemption Date the full Redemption Price for such shares shall be payable in cash to the Person whose name appears on such certificate or certificates as the owner thereof, and each surrendered certificate shall be canceled and retired. In the event that less than all of the shares represented by any such certificate are redeemed, a new certificate shall be issued, without service charges representing the unredeemed shares.

(iii) In the event that a Mandatory Redemption is required to be made pursuant to the provisions of this Certificate of Designation and the provisions of the Exchange Certificate of Designation at the same time and shares of both shall be outstanding, the foregoing procedures shall be applied equally to the PIK Preferred Stock

and the Exchange Preferred Stock as if the PIK Preferred Stock and the Exchange Preferred Stock were a single class of stock.

(iv) On and after the Redemption Date, unless the Corporation defaults in the payment in full of the Redemption Price, dividends on the PIK Preferred Stock called for redemption shall cease to accumulate on the Redemption Date, and all rights of the Holders of redeemed shares shall terminate with respect thereto on the Redemption Date, other than the right to receive the Redemption Price, without interest; provided, however, that if a notice of redemption shall have been given as provided in paragraph (c)(i) above and the funds necessary for redemption (including an amount in respect of all dividends that will accrue to the Redemption Date) shall have been irrevocably deposited in trust for the equal and ratable benefit for the Holders of the shares to be redeemed, then, at the close of business on the day on which such funds are segregated and set aside, the Holders of the shares to be redeemed shall cease to be stockholders of the Corporation and shall be entitled only to receive the Redemption Price, without interest.

SECTION 7. Change of Control. (a) The Corporation will commence an

Offer to Purchase (as defined in paragraph (b)) all of the outstanding shares of PIK Preferred Stock within fifteen (15) days after the occurrence of a Change of Control (as defined in paragraph (f)(i)) below.

(b) "Offer to Purchase" means a written offer ("Offer") to each Holder at such Holder's address appearing in the stock books of the Corporation on the date of the Offer to Purchase, offering to purchase in cash all outstanding shares of PIK Preferred Stock at a purchase price equal to the Redemption Price of the PIK Preferred Stock. Unless otherwise required by Applicable Law, the Offer shall specify an expiration date ("Expiration Date") of the Offer to Purchase which shall be, subject to any contrary requirements of Applicable Law, not less than thirty (30) days or more than sixty (60) days after the date of such Offer and a settlement date ("Purchase Date") for purchase of PIK Preferred Stock within five Business Days after the Expiration Date. The Offer shall be sent by first class mail, postage prepaid, by the Corporation. The Offer shall contain information concerning the business of the Corporation and its Subsidiaries which the Corporation in good faith believes will enable such Holders to make an informed decision with respect to the Offer to Purchase (which at a minimum will include (i) the most recent annual and quarterly financial statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained in the documents required to be furnished to Holders pursuant to Section 9(h) (Provision of Financial Information) (which requirements may be satisfied by delivery of such documents together with the Offer), (ii) a description of material developments in the Corporation's business subsequent to the date of the latest of such financial statements referred to in clause (i) (including a description of the events requiring the Corporation to make the Offer to Purchase), (iii) if applicable, appropriate pro forma financial information concerning the Offer to Purchase and the events requiring

the Corporation to make the Offer to Purchase and (iv) any other information required by Applicable Law to be included therein). The Offer shall contain all instructions and materials necessary to enable such Holders to tender PIK Preferred Stock pursuant to the Offer to Purchase. The Offer shall also state:

(1) the Expiration Date and the Purchase Date;

(2) the aggregate liquidation preference of the outstanding shares of PIK Preferred Stock (and Exchange Preferred Stock, if any) offered to be purchased by the Corporation (the "Purchase Amount") pursuant to the Offer to Purchase;

(3) the Liquidation Preference per share of the PIK Preferred Stock and the Redemption Price to be paid by the Corporation for each share accepted for payment;

(4) that the Holder may tender all or any portion of the shares of PIK Preferred Stock registered in the name of such Holder and that any portion of PIK Preferred Stock tendered must be tendered in whole shares;

(5) the place or places where shares of PIK Preferred Stock are to be surrendered for tender pursuant to the Offer to Purchase;

(6) that dividends on any shares of PIK Preferred Stock not tendered or tendered but not purchased by the Corporation pursuant to the Offer to Purchase will continue to accumulate;

(7) that on the Purchase Date the Redemption Price will become due and payable upon each share of PIK Preferred Stock being accepted for payment pursuant to the Offer to Purchase and that dividends thereon shall cease to accrue on and after the Purchase Date;

(8) that each Holder electing to tender a share of PIK Preferred Stock pursuant to the Offer to Purchase will be required to surrender such share at the place or places specified in the Offer prior to the close of business on the Expiration Date (such share being, if the Corporation so requires, duly endorsed by, or accompanied by a written instrument of transfer in form reasonably satisfactory to the Corporation duly executed by, the Holder thereof or his attorney duly authorized in writing);

(9) that Holders will be entitled to withdraw all or any portion of PIK Preferred Stock tendered if the Corporation receives, not later than the close of business on the Expiration Date, a telegram, telex, facsimile transmission or letter setting forth the name of the Holder, the number of shares of PIK Preferred Stock that the Holder tendered, the certificate number representing the shares of PIK

Preferred Stock that the Holder tendered and a statement that such Holder is withdrawing all or a portion of its tender;

(10) that the Corporation shall purchase all shares of PIK Preferred Stock duly tendered and not withdrawn pursuant to the Offer to Purchase; and

(11) that in the case of any Holder whose shares of PIK Preferred Stock are purchased only in part, the Corporation will issue to the Holder of such shares without service charge a new certificate representing the unpurchased shares of PIK Preferred Stock.

Any Offer to Purchase shall be governed by and effected in accordance with the Offer for such Offer to Purchase.

(c) The Corporation will comply with any securities laws and regulations, to the extent such laws and regulations are applicable to the repurchase of the PIK Preferred Stock in connection with an Offer to Purchase.

(d) On the Purchase Date the Corporation shall (1) accept for payment the shares of PIK Preferred Stock validly tendered and not withdrawn pursuant to the Offer to Purchase, (2) pay to the Holders of shares so accepted the Redemption Price therefor in cash and (3) cancel and retire each surrendered certificate. Unless the Corporation defaults in the payment for the shares of PIK Preferred Stock tendered pursuant to the Offer to Purchase, dividends will cease to accrue with respect to the shares of PIK Preferred Stock tendered and all rights of Holders of such tendered shares will terminate, except for the right to receive payment therefor, on the Purchase Date.

(e) If the purchase of the PIK Preferred Stock would violate or constitute a default under any Indebtedness of the Corporation, then, notwithstanding anything to the contrary contained above, prior to complying with the foregoing provisions, but in any event within thirty (30) days following the Change of Control, the Corporation shall use its best efforts to, as promptly as practicable, either (1) repay in full all such Indebtedness and terminate all commitments outstanding under any relevant credit agreements or (2) obtain the requisite consents, if any, under such Indebtedness required to permit the repurchase of PIK Preferred Stock required by this Section 7. Until the requirements of the immediately preceding sentence are satisfied, the Corporation shall not make, and shall not be obligated to make, any Offer to Purchase; provided that the Corporation's failure to comply with the provisions of this Subparagraph (e) shall constitute a Voting Rights Triggering Event.

(f) (i) A "Change of Control" means the occurrence of any of the following:

(a) the sale, lease or transfer, in one or a series of related

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transactions, of all or substantially all of the Corporation's assets to any Person or group (as such term is used in Section 13(d)(3) of the Exchange Act) (other than the Principal Shareholders or their Related Parties),

(b) the adoption of a plan relating to the liquidation or dissolution of
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the Corporation,

(c) the acquisition, directly or indirectly, by any Person or group (as
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such term is used in Section 13(d)(3) of the Exchange Act) (other than one or more of the Principal Shareholders and their Related Parties) of 40% or more of the voting power of the voting stock of the Corporation by way of merger or consolidation or otherwise, provided that such acquisition will not constitute a "Change of Control" unless or until such Person or group owns, directly or indirectly, more of the voting power of the voting stock of the Corporation than the Principal Shareholders and their Related Parties, or

(d) the Continuing Directors cease for any reason to constitute a majority
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of the directors of the Corporation then in office.

For purposes of this definition, any transfer of an Equity Interest of an entity that was formed for the purpose of acquiring voting stock of the Corporation shall be deemed to be a transfer of such portion of such voting stock as corresponds to the portion of the equity of such entity that has been so transferred.

(ii) "Continuing Director" means any member of the Board of Directors who (i) is a member of that Board of Directors on the Issue Date or (ii) was nominated for election by either (a) one or more of the Principal Shareholders (or a Related Party thereof) or (b) the Board of Directors a majority of whom were directors at the Issue Date or whose election or nomination for election was previously approved by one or more of the Principal Shareholders or such directors.

(iii) "Immediate Family Member" means, with respect to any individual, such individual's spouse (past or current), descendants (natural or adoptive, of the whole or half blood) of the parents of such individual, such individual's grandparents and parents (natural or adoptive), and the grandparents, parents and descendants of parents (natural or adoptive, of the whole or half blood) of such individual's spouse (past or current).

(iv) "Principal Shareholders" means Steven B. Dodge and Thomas H. Stoner.

(v) "Related Party" with respect to any Principal Shareholder means (i) any 80% (or more) owned Subsidiary or Immediate Family Member (in the case of an individual) of such Principal Shareholder or (ii) any Person, the beneficiaries, stockholders, partners, owners or Persons beneficially holding an 80% or more controlling interest of which consist of such Principal Shareholder or an Immediate Family Member, or (iii) any Person employed by the Corporation in a management capacity as of the Issue Date.

SECTION 8. Exchange Provisions. (a) Shares of PIK Preferred Stock

will be exchangeable, at the option of each Holder of PIK Preferred Stock, in whole or in part, on the Interim Financing Maturity Date and from time to time thereafter, for shares of Exchange Preferred Stock at the rate of \$1.00 Liquidation Preference of Exchange Preferred Stock for each \$1.00 of the sum of Liquidation Preference plus the Redemption Premium of PIK Preferred Stock at the time of any exchange (or as described below, into Exchange Debentures at the rate of \$1.00 principal amount of Exchange Debentures for each \$1.00 of the sum of Liquidation Preference plus the Redemption Premium of PIK Preferred Stock at the time of any exchange), provided that the Corporation shall have the right, at its option, to pay cash in an amount equal to the principal amount of that portion of any Exchange Preferred Stock (or Exchange Debentures) that is not an integral multiple of \$1,000 instead of delivering a share of Exchange Preferred Stock (or Exchange Debentures) in a denomination of less than \$1,000. Accrued dividends on the date of the exchange of the PIK Preferred Stock into the Exchange Preferred Stock shall be paid in accordance with the terms of the Exchange Preferred Stock.

(b) To exchange shares of PIK Preferred Stock for shares of Exchange Preferred Stock, Holders shall present certificates together with an executed stock power in favor of the Corporation representing the PIK Preferred Stock to be exchanged to Harris Trust and Savings Bank (the "Escrow Agent") (at any time following the Interim Financing Maturity Date except to the extent that transfer of such PIK Preferred Stock would be limited as a result of the impending redemption thereof) and the amount of Liquidation Preference to be exchanged to the Escrow Agent who shall promptly exchange such PIK Preferred Stock for Exchange Preferred Stock at the rate set forth in subparagraph (a) above. Dividends on the PIK Preferred Stock shall cease to accrue upon the delivery in exchange therefor of Exchange Preferred Stock as provided in this Section 8.

In the event that the Corporation exchanges Exchange Debentures for shares of Exchange Preferred Stock while any shares of PIK Preferred Stock remain outstanding, the Corporation shall immediately deposit with the Escrow Agent Exchange Debentures in an aggregate principal amount equal to the liquidation preference (plus the redemption premium) of the remaining Exchange Preferred Shares held in escrow by the Escrow Agent. Such Debentures shall be held by the Escrow Agent in escrow for exchange by holders of PIK Preferred Stock as if such Debentures were Exchange

Preferred Stock and the provisions of this Certificate of Designation will apply with respect thereto mutatis mutandis.

SECTION 9. Certain Additional Negative Obligations of the Corporation

(a) (Limitation on Incurrence of Indebtedness and Issuance of Preferred Stock.)
The Corporation will not, and will not permit any of its Restricted Subsidiaries to, incur any Indebtedness (including Indebtedness acquired through acquisition) or issue any preferred stock; provided however that the Corporation or one or more Restricted Subsidiaries may incur any of the following:

- (i) the Exchange Preferred Stock or any in-kind dividends on the PIK Preferred Stock or the Exchange Preferred Stock;
- (ii) Senior Bank Debt pursuant to the Senior Bank Facilities;
- (iii) Existing Indebtedness;
- (iv) Indebtedness represented by guarantees by the Corporation or its Subsidiaries of (A) Senior Bank Debt and (B) any other Indebtedness of the Corporation or any Subsidiary permitted to be incurred under this Certificate of Designation;
- (v) Refinancing Indebtedness, provided that the principal amount of such Refinancing Indebtedness shall not exceed the principal amount of Indebtedness so extended, refinanced, renewed, replaced, substituted, defeased or refunded (plus the amount of expenses incurred and premiums paid in connection therewith);
- (vi) intercompany Indebtedness between the Corporation and any of its Restricted Subsidiaries or among its Restricted Subsidiaries, or Equity Interests issued by a Restricted Subsidiary in conformity with subparagraph (c);
- (vii) Hedging Obligations, including interest rate swap obligations, that are incurred in the ordinary course of business for the purpose of fixing or hedging interest rate risk with respect to any floating rate Indebtedness that is permitted by the terms of this Certificate of Designation to be outstanding;
- (viii) Junior preferred stock consisting of Junior Securities the Net Proceeds of the issuance of which is used solely to redeem PIK Preferred Stock or Exchange Preferred Stock to the extent outstanding;

(ix) accounts payable, accrued expenses (including, without limitation, taxes) and customer advance payments incurred in the ordinary course of business;

(x) Indebtedness secured by Permitted Liens;

(xi) Indebtedness incurred in connection with an acquisition otherwise permitted hereunder; provided, however, that (i) such Indebtedness (A) is

owed to the seller thereof, (B) is unsecured, (C) has no scheduled payment of principal prior to the Interim Financing Maturity Date and (D) when added to all other Indebtedness outstanding under this Section 9(a)(xi) does not exceed \$25,000,000, and (ii) at the time of incurrence of such Indebtedness (and after giving effect thereto), no Voting Rights Triggering Event shall have occurred and been continuing;

(xii) Indebtedness incurred by any Unrestricted Subsidiary; provided,

however, that such Indebtedness is non-recourse to the Corporation or any

Restricted Subsidiary and no Lien is placed on the equity interests of the Corporation or any Restricted Subsidiary in such Unrestricted Subsidiary; and

(x) Capital Lease Obligations not to exceed in the aggregate at any one time outstanding \$5,000,000.

(b) (Limitation on Restricted Payments). The Corporation will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly:

(i) declare or pay any dividend, or make any other distribution or payment, on any Equity Interests (except the PIK Preferred Stock and the Exchange Preferred Stock) of the Corporation or of any Restricted Subsidiary (other than dividends or distributions payable by the Corporation in its Common Stock of the Corporation or dividends or distributions payable to the Corporation or any Restricted Subsidiary);

(ii) purchase, redeem or otherwise acquire or retire for value any Equity Interests of the Corporation, any Restricted Subsidiary or other Affiliate of the Corporation (other than (a) any Equity Interests owned by the Corporation or any Restricted Subsidiary and (b) the PIK Preferred Stock or the Exchange Preferred Stock so long as any such redemption is made on a pro rata basis); or

(iii) make an Investment other than (a) a Permitted Investment or (b) Investments of the Corporation or any Restricted Subsidiary in the Corporation or any Restricted Subsidiary.

(c) (Limitation on Issuance and Sale of Restricted Subsidiary Equity Interests). The Corporation will not permit any Restricted Subsidiary to issue any Equity Interests, except for (i) Equity Interests issued to and held by the Corporation or a Restricted Subsidiary, and (ii) Equity Interests issued by a Person prior to the time that (A) such Person becomes a Restricted Subsidiary hereunder, (B) such Person merges with or into a Restricted Subsidiary or (C) a Restricted Subsidiary merges with or into such Person; provided that such Equity Interests were not issued or incurred by such Person in anticipation of the type of transaction contemplated by subclause (A), (B) or (C).

(d) (Disposition of Assets). The Corporation will not, and shall not permit any of its Restricted Subsidiaries to, at any time sell, lease, abandon, or otherwise dispose of any assets, including by way of sale-and-leaseback (other than assets disposed of in the ordinary course of business) whether in a single transaction or a series of related transactions, to any Person (other than an issuance, sale, lease, conveyance or disposal by a Restricted Subsidiary to the Corporation or one of its Wholly Owned Restricted Subsidiaries) for Net Proceeds in excess of \$5,000,000 (each of the foregoing, an "Asset Sale"), unless:

(i) the Corporation or such Subsidiary, as the case may be, receives consideration that at the time of entering into a binding agreement with respect to such Asset Sale, is at least equal to the Fair Market Value of the assets sold or otherwise disposed of; and

(ii) at least 85% of such consideration is in the form of cash which cash is either invested in additional communications sites or used to repay Indebtedness incurred under the Senior Bank Facilities within 360 days of such Disposition or to redeem the PIK Preferred Stock (and, if applicable, the Exchange Preferred Stock on a pro rata basis).

(e) (Limitation on Guarantees). The Corporation shall not, and shall not permit any of its Restricted Subsidiaries to, at any time guaranty, assume, be obligated with respect to, or permit to be outstanding any guaranty of, any obligation of any other Person other than (a) a guaranty by endorsement of negotiable instruments for collection in the ordinary course of business, or (b) obligations under agreements of the Corporation or any of its Restricted Subsidiaries entered into in connection with acquisitions permitted under the Senior Bank Facilities, leases of real property by the Corporation or any of its Restricted Subsidiaries or the acquisition or furnishing of services, supplies, and equipment in the ordinary course of business of the Corporation or any of its Restricted Subsidiaries, or (c) guaranties of Indebtedness incurred as permitted pursuant to Section 9(a) hereof, or (d) as may be contained in the Senior Bank Facilities including, without limitation, any Subsidiary guaranty.

(f) (Affiliate Transactions). Except as specifically provided herein (including, without limitation, Section 9(d) hereof) and as may be described on Schedule

A to the Securities Purchase Agreement as of the date of execution thereof, the Corporation shall not, and shall not permit any of its Restricted Subsidiaries to, at any time engage in any transaction with an Affiliate, or make an assignment or other transfer of any of its properties or assets to any Affiliate, on terms less advantageous to the Corporation or such Restricted Subsidiary than would be the case if such transaction had been effected with a non-Affiliate.

(g) (Maintenance of Escrow Agreement). The Corporation shall not amend or allow to lapse, through the nonpayment of fees or for any other reason until each share of PIK Preferred Stock is either redeemed or exchanged pursuant hereto under the Escrow Agreement. In the event that the Escrow Agent is unwilling or unable to continue to serve as Escrow Agent, the Company shall obtain a replacement Escrow Agent (such Escrow Agent to be a commercial bank or trust company with capital and surplus of in excess of \$500,000,000) whose responsibilities and powers shall be substantially identical to those provided under the Escrow Agreement.

(h) (Provision of Financial Information). Whether or not required by the rules and regulations of the SEC, so long as any shares of PIK Preferred Stock are outstanding, the Corporation will furnish to the Holders of PIK Preferred Stock:

(i) all quarterly and annual financial information that would be required to be contained in a filing with the SEC on Forms 10-Q and 10-K if the Corporation were required to file such Forms, including a "Management's Discussion and Analysis of Financial Condition and Results of Operations" and, with respect to the annual information only, a report thereon by the Corporation's independent certified public accountants, and

(ii) all reports that would be required to be filed with the SEC on Form 8-K if the Corporation were required to file such reports.

In addition, whether or not required by the rules and regulations of the SEC, the Corporation will file a copy of all such information with the SEC for public availability (unless the SEC will not accept such filing) and make such information available to investors who request it in writing.

(i) (Consent Fees) The Corporation shall not pay fees for consents to any waiver or amendment of or to the terms of this Certificate of Designation without making an offer to all Holders of the PIK Preferred Stock in an equal amount for such consent or waiver.

SECTION 10. Certain Additional Affirmative Obligations of the

Corporation. (a) (Permanent Securities) The Corporation shall file (if not

already filed) a registration statement under the Securities Act (or, to the extent applicable, prepare an offering circular) covering its Class A Common Stock, a series of preferred stock or debt

securities (but, in the case of a partial redemption of the PIK Preferred Stock, only if such preferred stock or debt securities are permitted by the terms hereof) or a combination thereof (the "Permanent Securities") to be issued in a public offering or private placement to refinance in full the PIK Preferred Stock (the "Refinancing") and to use its best efforts to have such registration statement (if any) declared effective, and to consummate such Refinancing as soon as possible after the Issue Date in an amount sufficient to refinance all outstanding PIK Preferred Stock and on such terms and conditions as CSFBC may in its judgment determine to be appropriate in light of prevailing circumstances and market conditions and the financial condition and prospects of the Corporation and, in the case of a partial redemption of the PIK Preferred Stock, are permitted by the terms of this Certificate of Designation. If any Permanent Securities are issued in a transaction not registered under the Securities Act to effect the Refinancing, all such Permanent Securities shall be entitled to the benefit of a registration rights agreement in customary form to be entered into by the Corporation.

(b) (Use of Proceeds). The proceeds of the offering of the PIK Preferred Stock shall be used solely (i) to finance the Corporation's obligations referred to in the merger agreement between ARS and CBS Corporation to be responsible for any tax liability arising from the separation of the Corporation from ARS (the "Tower Separation") and (ii) to pay fees and expenses related to the issuance of the PIK Preferred Securities .

(c) (Maintenance of Corporate Existence and Rights). Except as permitted under Section 5(d) hereof, the Corporation will, and will cause each of its Restricted Subsidiaries to:

(i) preserve and maintain its existence and its material rights, franchises, licenses and privileges in the state of its incorporation, including, without limiting the foregoing, all Licenses and Necessary Authorizations, except where the failure to do so could not reasonably be expected to have a Material Adverse Effect; and

(ii) qualify and remain qualified and authorized to do business in each jurisdiction in which the character of its properties or the nature of its business requires such qualification or authorization, except for such failure to so qualify and be so authorized as could reasonably be expected to have a Material Adverse Effect.

(d) (Operations; Compliance with Law). The Corporation will, and will cause each of its Restricted Subsidiaries to, (i) engage in the business of owning, constructing, managing, operating and investing in communications tower facilities and related businesses (including, without limitation, site acquisition and video, voice and data transmission businesses) and not engage in any unrelated activities, and (ii) comply in all material respects with the requirements of all Applicable Law.

(e) (Breach of Covenants). The Corporation shall promptly notify in writing each Holder as provided in Section 12 hereof of any breach of the provisions set forth in Section 5, 9 or 10 hereof.

SECTION 11. Status of Recquired Shares. If shares of the PIK

Preferred Stock are redeemed pursuant to Section 6 or Section 7 hereof or exchanged pursuant to Section 8 hereof, the shares so redeemed or exchanged shall, upon compliance with any statutory requirements, assume the status of authorized but unissued shares of preferred stock of the Corporation.

SECTION 12. Notices. All notices, requests, demands and other

communications hereunder shall be in writing and shall be deemed to have been duly given if delivered by hand or by first class mail, postage prepaid, or when sent by telex or telecopier (with receipt confirmed), provided a copy is also sent by first class mail, postage prepaid, or express (overnight, if possible) courier, addressed (i) in the case of a Holder of the PIK Preferred Stock, to such Holder's address of record, (ii) in the case of the Corporation, to the Corporation's principal executive offices to the attention of the Corporation's Chief Executive Officer and Chief Financial Officer and (iii) in the case of the Escrow Agent, Harris Trust and Savings Bank, 311 West Monroe Street, Chicago, Illinois 60606, Attention: Sue Shadel/Shareholder Services.

SECTION 13. Amendments and Waivers. Except as otherwise set forth

herein and subject to Section 5, any right, preference, privilege or power of, or restriction provided for the benefit of, the PIK Preferred Stock set forth herein may be amended and the observance thereof may be waived (either generally or in a particular instance and either retroactively or prospectively) with the written consent of the Corporation and the vote or consent of the Holders of a majority of the shares of PIK Preferred Stock then outstanding, and any amendment or waiver so effected shall be binding upon the Corporation and all Holders of the PIK Preferred Stock.

SECTION 14. Definitions. As used in this Certificate of Designation,

the following terms shall have the following meanings (with terms defined in the singular having comparable meanings when used in the plural and vice versa), unless the context otherwise requires:

"Acquisition" shall mean (whether by purchase, lease, exchange,

issuance of stock or other equity or debt securities, merger, reorganization or any other method) (i) any acquisition by the Corporation or any Restricted Subsidiary of any other Person, which Person shall then become consolidated with the Corporation or any such Restricted Subsidiary in accordance with GAAP; (ii) any acquisition by the Corporation or any Restricted Subsidiary of all or any substantial part of the assets of any other Person; or (iii) any acquisition by the Corporation or any Restricted Subsidiary of any communications tower facilities, communications tower management businesses or related contracts, other than

any such Acquisition which shall be made by, or of, any Person which shall have been designated and, to the extent required hereby, approved as an Unrestricted Subsidiary.

"Affiliate" means, with respect to any specified Person, any

other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control of" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with") any Person means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise; provided that beneficial ownership of 10% or more of the voting securities of a Person shall be deemed to be control.

"Applicable Law" shall mean, in respect of any Person, all

provisions of constitutions, statutes, rules, regulations and orders of governmental bodies or regulatory agencies applicable to such Person, including, without limiting the foregoing, the Licenses, the Communications Act, zoning ordinances and all environmental laws, and all orders, decisions, judgments and decrees of all courts and arbitrators in proceedings or actions to which the Person in question is a party or by which it is bound.

"Applicable Spread" has the meaning set forth in Section 3(a).

"ARS" means American Radio Systems Corporation, a Delaware

corporation.

"Asset Sale" has the meaning set forth in Section 9(d).

"ARS-ATS Separation Agreement" means the Agreement among CBS

Corporation, ARS and the Corporation entered into in connection with the merger of a wholly-owned subsidiary of CBS Corporation with and into ARS.

"Board of Directors" has the meaning set forth in Section 1.

"Business Day" means each Monday, Tuesday, Wednesday, Thursday

and Friday which is not a day on which banking institutions in The City of New York are authorized or obligated by law or executive order to close.

"Capital Expenditure" shall mean, for any period, expenditures

(including the aggregate amount of Capital Lease Obligations required to be paid during such period) incurred by any Person to acquire or construct fixed assets, plant and equipment (including, without limitation, renewals, improvements and replacements, but excluding repairs and maintenance) during such period, which

would be required to be capitalized on the balance sheet of such Person in accordance with GAAP.

"Capital Lease Obligation" means, at any time any determination

thereof is to be made, the amount of the liability in respect of a capital lease that would at such time be required to be capitalized on the balance sheet in accordance with GAAP.

"Capital Stock" means (i) in the case of a corporation, capital

stock, (ii) in the case of any association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) or capital stock and (iii) in the case of a partnership, partnership interests (whether general or limited) and any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, such partnership.

"Cash Equivalents" means (i) United States dollars, (ii)

securities issued or directly and fully guaranteed or insured by the United States government or any agency or instrumentality thereof having maturities of less than one year from the date of acquisition, (iii) certificates of deposit and eurodollar time deposits with maturities of less than one year from the date of acquisition, bankers' acceptances with maturities of less than one year and overnight bank deposits, in each case with any lender party to any of the Senior Bank Facilities or with any domestic commercial bank having capital and surplus in excess of \$100,000,000 and a rating of "A" or better by Moody's Investors Service, Inc. or Standard & Poor's Ratings Group, a division of McGraw Hill, Inc., (iv) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clauses (ii) and (iii) entered into with any financial institution meeting the qualifications specified in clause (iii) above and (v) commercial paper having the highest rating obtainable from Moody's Investors Service, Inc. or Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies, Inc., and in each case maturing within nine months after the date of acquisition.

"Change of Control" has the meaning assigned thereto in Section

7(f)(i).

"Communications Act" means the Communications Act of 1934, and

any similar successor federal statute, and the rules and regulations of the FCC thereunder, all as the same may be in effect from time to time.

"Continuing Director" has the meaning assigned thereto in Section

7(d)(ii).

"CSFBC" means Credit Suisse First Boston Corporation.

"Default Period" means has the meaning assigned thereto in

Section 5(e)(i).

"Disposition" means, with respect to any Person, any merger,

consolidation or other business combination involving such Person (whether or not such Person is the Surviving Person) or the sale, assignment, transfer, lease conveyance or other disposition of all or substantially all of such Person's assets.

"Dividend Payment Date" has the meaning assigned thereto in

Section 3(c).

"Dividend Period" means the period from the Issue Date to and

including the first Dividend Payment Date and thereafter each quarterly period commencing on each June 1, September 1, December 1, and March 1 and ending on the next succeeding Dividend Payment Date.

"Equity Interests" means Capital Stock and all warrants, options

or other rights to acquire Capital Stock (including any Indebtedness or Disqualified Stock that is convertible into, or exchangeable for, Capital Stock).

"Excess Cash Flow" shall mean, as of the end of any fiscal year

of the Corporation based on the audited financial statements provided under Section 9(h) hereof for such fiscal year, the excess, if any, of (a) Operating Cash Flow for such fiscal year, minus (b) the sum of the following: (i) payments made with respect to Capital Expenditures (other than Capital Expenditures funded out of the Net Proceeds of any Asset Sale) incurred by the Corporation and its Restricted Subsidiaries during such fiscal year; (ii) repayments of Indebtedness under the Senior Bank Facilities as a result of reductions in the commitments thereunder; (iii) cash taxes paid by the Corporation and its Restricted Subsidiaries (including any paid to CBS Corporation pursuant to the tax indemnity provisions of the ARS-ATS Separation Agreement or otherwise permitted by clause (i) of Section 10(b)) during such fiscal year; (iv) Interest Expense during such fiscal year; and (v) principal payments made in respect of Indebtedness for Money Borrowed (other than with respect to loans pursuant to the Senior Bank Facilities or the Intracoastal Note) paid by the Corporation and its Restricted Subsidiaries during such fiscal year.

"Exchange Act" means the Securities Exchange Act of 1934 as it

may be amended and any successor act thereto.

"Exchange Preferred Stock" means the Corporation's series of

Preferred Stock designated Exchange Pay-In-Kind Preferred Stock, par value \$.01 per share, and, except for Section 8 hereof, also includes one other series of the Corporation's preferred stock that (i) has identical terms to the Exchange Preferred

Stock in all material respects except as permitted by the Registration Rights Agreement referred to in the certificate of designation for the Exchange Preferred Stock and (ii) has been issued in exchange for PIK Preferred Stock in an exchange offer as contemplated by such Registration Rights Agreement.

"Existing Indebtedness" means any outstanding Indebtedness of the

Corporation and its Restricted Subsidiaries as of the Issue Date and the amount and the maturity of which is set forth on Schedule B to the Securities Purchase Agreement as of the date hereof.

"Existing Investments" means any Investments of the Corporation

and its Restricted Subsidiaries (including Investments in Unrestricted Subsidiaries) as of the Issue Date or which thereafter becomes an Investment of the Corporation or any of its Restricted Subsidiaries or its Subsidiaries as a result of the Intracoastal Merger.

"Expiration Date" has the meaning assigned thereto in Section

7(b).

"Fair Market Value" means, with respect to any asset or property,

the sale value that would be obtained in an arm's-length transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy. All determinations of Fair Market Value shall be made by the Board of Directors of the Corporation and shall be evidenced by a resolution of such Board set forth in an Officers' Certificate.

"FCC" means the Federal Communications Commission, as from time

to time constituted, created under the Communications Act, or, if at any time after the filing of this Certificate of Designation, the FCC is not existing and performing the duties now assigned to it under such act, then the body performing such duties at such time.

"GAAP" means, as in effect from time to time, generally accepted

accounting principles in the United States, consistently applied.

"Hedging Obligations " means, with respect to any Person, the

Obligations of such Person under (i) interest rate swap agreements, interest rate cap agreements and interest rate collar agreements, and (ii) other agreements or arrangements designed to protect such Person against fluctuations in interest rates.

"Holders" means a Holder of shares of PIK Preferred Stock as

reflected in the stock books of the Corporation.

"Immediate Family Member" has the meaning assigned to that term

in Section 7(f)(iii).

"incur" means, with respect to any obligation of any Person, to

create, issue, incur, assume or directly or indirectly guarantee or in any other manner become directly or indirectly liable for any Indebtedness (and "incurrence", "incurred", "incurable" and "incurring" shall have meanings correlative to the foregoing).

"Indebtedness" means, with respect to any Person, whether or not

contingent, (i) all indebtedness of such Person for borrowed money or for the deferred purchase price of property or services (other than current trade liabilities incurred in the ordinary course of business and payable in accordance with customary practices) or which is evidenced by a note, bond, debenture or similar instrument, (ii) all Capital Lease Obligations of such Person, (iii) all obligations of such Person in respect of letters of credit or bankers' acceptances issued or created for the account of such Person, (iv) all Hedging Obligations of such Person, (v) all liabilities secured by any Lien on any property owned by such Person even if such Person has not assumed or otherwise become liable for the payment thereof to the extent of the value of the property subject to such Lien, and (vi) to the extent not otherwise included, any guarantee by such person of any other Person's indebtedness or other obligations described in clauses (i) through (v) above; provided however that for purposes of this Certificate

of Designation Indebtedness shall not include the Intracoastal Note.

"Indebtedness for Money Borrowed" shall mean, with respect to

any Person, Indebtedness for money borrowed and Indebtedness represented by notes payable and drafts accepted representing extensions of credit, all obligations evidenced by bonds, debentures, notes or other similar instruments, all Indebtedness upon which interest charges are customarily paid (other than trade payables arising in the ordinary course of business, but only if and so long as such accounts are payable on customary trade terms), all Capital Lease Obligations, all reimbursement obligations with respect to outstanding letters of credit, all Indebtedness issued or assumed as full or partial payment for property or services (other than trade payables arising in the ordinary course of business, but only if and so long as such accounts are payable on customary trade terms), whether or not any such notes, drafts, obligations or Indebtedness represent Indebtedness for money borrowed, and, without duplication, guaranties of any of the foregoing. For purposes of this definition, interest which is accrued but not paid on the scheduled due date for such interest shall be deemed Indebtedness for Money Borrowed.

"Interest Expense" shall mean, for any period, all cash interest

expense (including imputed interest with respect to Capital Lease Obligations) with respect to any Indebtedness for Money Borrowed of the Corporation and its Restricted Subsidiaries on a consolidated basis during such period pursuant to the

terms of such Indebtedness for Money Borrowed, together with all fees payable in respect thereof, all as calculated in accordance with GAAP.

"Intracoastal Merger" means the merger of Intracoastal

Broadcasting, Inc., a Delaware Corporation, into American Tower Systems (Delaware), Inc., a Delaware corporation wholly owned by the Corporation.

"Intracoastal Note" shall mean the non-recourse notes of the

Corporation, in the aggregate principal amount of \$12,000,000, issued or to be issued by the Corporation in connection with the Intracoastal Merger.

"Investments" means, with respect to any Person, all investments

by such Person in other Persons (including Affiliates of such Person) in the form of loans, guarantees, advances or capital contributions (excluding commission, travel and similar advances to officers and employees made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities of any other Person and all other items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP.

"Issue Date" means the date of original issuance of the PIK

Preferred Stock.

"Junior Securities" has the meaning assigned thereto in Section

1.

"Licenses" shall mean any telephone, microwave, radio

transmissions, personal communications or other license, authorization, certificate of compliance, franchise, approval or permit, whether for the construction, the ownership or the operation of any communications tower facilities, granted or issued by the FCC and held by the Corporation or any of its Restricted Subsidiaries.

"Lien" means, with respect to any asset, any mortgage, lien,

pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under Applicable Law (including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in any asset and any filing of, or agreement to give, any financing statement under the "Uniform Commercial Code" (or equivalent statutes) of any jurisdiction).

"Material Adverse Effect" shall mean (a) any material adverse

effect upon the business, assets, business prospects, liabilities, financial condition, results of operations or properties of the Corporation and its Restricted Subsidiaries on a consolidated basis, taken as a whole, or (b) a material adverse

effect upon the binding nature, validity, or enforceability of this Certificate of Designation and the PIK Preferred Stock or upon the ability of the Corporation and its Restricted Subsidiaries to perform the payment obligations or other material obligations under this Certificate of Designation and the PIK Preferred Stock (or prior to the Interim Financing Maturity Date, the Exchange Certificate of Designation or the Exchange Preferred Stock); in either case, whether resulting from any single act, omission, situation, status, event or undertaking, or taken together with other such acts, omissions, situations, statuses, events or undertakings.

"Necessary Authorizations" shall mean all approvals and licenses

from, and all filings and registrations with, any governmental or other regulatory authority, including, without limiting the foregoing, the licenses and all approvals, licenses, filings and registrations under the Communications Act, necessary in order to enable the Corporation and its Restricted Subsidiaries to own, construct, maintain, and operate communications tower facilities and to invest in other Persons who own, construct, maintain, manage and operate communications tower facilities.

"Net Proceeds" shall mean, with respect to any sale, lease,

transfer or other disposition of assets, Indebtedness or securities by the Corporation or any of its Restricted Subsidiaries (except any such sale, lease transfer or other disposition to the Corporation or a Restricted Subsidiary), the aggregate amount of cash received for such assets (including, without limitation, any payments received for noncompetition covenants, consulting or management fees in connection with such sale, and any portion of the amount received evidenced by a promissory note or other evidence of Indebtedness issued by the purchaser), Indebtedness or securities, as the case may be, net of (i) amounts reserved, if any, for taxes payable with respect to any such sale (after application (assuming application first to such reserves) of any available losses, credits or other offsets), (ii) reasonable and customary transaction costs properly attributable to such transaction and payable by the Corporation or any of its Restricted Subsidiaries (other than to an Affiliate) in connection with such sale, lease, transfer or other disposition of assets, Indebtedness or securities, as the case may be, including, without limitation, commissions, discounts, and fees and (iii) until actually received by the Corporation or any of its Restricted Subsidiaries, any portion of the amount received held in escrow or evidenced by a promissory note or other evidence of Indebtedness issued by a purchaser or pursuant to a non-compete, consulting or management agreement or covenant or otherwise for which compensation is paid over time. Upon receipt by the Corporation or any of its Restricted Subsidiaries of (A) amounts referred to in item (iii) of the preceding sentence, or (B) if there shall occur any reduction in the tax reserves referred to in item (i) of the preceding sentence resulting in a payment to the Corporation, such amounts shall then be deemed to be "Net Proceeds."

"Obligations" means any principal, interest, penalties, fees,

indemnifications, reimbursements, damages and other liabilities payable
under the documentation governing any Indebtedness.

"Offer to Purchase" has the meaning assigned thereto in Section

7(b).

"Officers' Certificate" means a certificate signed by the

Chairman of the Board, the Chief Executive Officer, President, the Chief
Operating Officer, a Vice President, or the Chief Financial Officer and,
without duplication, by the Treasurer, an Assistant Treasurer, Controller,
the Secretary or an Assistant Secretary, of the Corporation.

"Operating Cash Flow" shall mean, with respect to the Corporation

and its Restricted Subsidiaries on a consolidated basis as of the end of
any period, (a) the sum of (i) operating revenues of the Corporation and
its Restricted Subsidiaries plus (ii) Unrestricted Subsidiary Distributions
during such period less (b) the sum of (i) operating expenses for such
period plus (ii) corporate overhead (exclusive of amortization and
depreciation) for such period. In the case of determining Operating Cash
Flow following an Acquisition permitted hereunder, Operating Cash Flow of
the Corporation and its Restricted Subsidiaries shall include the
Acquisition Operating Cash Flow.

"Permitted Investment" means:

- (i) any Investment in the Corporation or any Wholly Owned Restricted
Subsidiary;
- (ii) any Investment in Cash Equivalents;
- (iii) any Investment in a Person if, as a result of such Investment, (a)
such Person becomes a Wholly Owned Restricted Subsidiary of the
Corporation, or (b) such Person either (1) is merged, consolidated or
amalgamated with or into the Corporation or one of its Wholly Owned
Restricted Subsidiaries and the Corporation or such Wholly Owned Restricted
Subsidiary is the Surviving Person or the Surviving Person becomes a Wholly
Owned Restricted Subsidiary, or (2) transfers or conveys all or
substantially all of its assets to, or is liquidated into, the Corporation
or one of its Wholly Owned Restricted Subsidiaries;
- (iv) any Investment in accounts and notes receivable acquired in the
ordinary course of business;
- (v) any Existing Investment;

(vi) notes from employees issued to the Corporation representing payment of the exercise price of options to purchase capital stock of the Corporation in an aggregate principal amount not to exceed \$2,000,000;

(vii) Investments in Unrestricted Subsidiaries represented by shares of Common Stock of the Corporation or assets and property acquired in exchange for Common Stock of the Corporation;

(viii) so long as no Voting Rights Triggering Event then exists or would be caused thereby, make investments in communications site and related companies in an amount not to exceed, in the aggregate, at any time, \$25,000,000 provided, however, that the Corporation or one of its Restricted Subsidiaries has executed a binding acquisition or merger agreement with such company;

(ix) so long as no Voting Rights Triggering Event then exists or would be caused thereby, (x) establish Unrestricted Subsidiaries and (y) make investments in such Unrestricted Subsidiaries or in non-wholly-Owned Restricted Subsidiaries of up to, in the aggregate, at any time, \$50,000,000 (subject to reduction as provided in the definition of Unrestricted Subsidiary); and

(x) the Sconnix Note.

"Permitted Liens" shall mean, as applied to any Person:

(a) Liens under the Senior Bank Facilities;

(b) (i) Liens on real estate or other property for taxes, assessments, governmental charges or levies not yet delinquent and (ii) Liens for taxes, assessments, judgments, governmental charges or levies or claims the non-payment of which is being diligently contested in good faith by appropriate proceedings and for which adequate reserves have been set aside on such Person's books, but only so long as no foreclosure, distraint, sale or similar proceedings have been commenced with respect thereto;

(c) Liens of carriers, warehousemen, mechanics, vendors, (solely to the extent arising by operation of law) laborers and materialmen incurred in the ordinary course of business for sums not yet due or being diligently contested in good faith, if reserves or appropriate provisions shall have been made therefor;

(d) Liens incurred in the ordinary course of business in connection with worker's compensation and unemployment insurance, social security obligations, assessments or government charges which are not overdue for more than sixty (60) days;

(e) restrictions on the transfer of the Licenses or assets of the Corporation or the Restricted Subsidiaries imposed by any of the Licenses as presently in effect or by the Communications Act and any regulations thereunder;

(f) easements, rights-of-way, zoning restrictions, licenses, reservations or restrictions on use and other similar encumbrances on the use of real property which do not materially interfere with the ordinary conduct of the business of such Person or the use of such property;

(g) Liens arising by operation of law in favor of purchasers in connection with any asset sale permitted hereunder; provided, however, that such -----
lien only encumbers the property being sold;

(h) Liens reflected by Uniform Commercial Code financing statements filed in respect of Capital Lease Obligations permitted under this Certificate of Designation and true leases of the Corporation or any of its Subsidiaries;

(i) Liens to secure performance of statutory obligations, surety or appeal bonds, performance bonds, bids or tenders;

(j) judgment Liens which do not result in a Voting Rights Triggering Event; and

(k) Liens in connection with escrow deposits made in connection with acquisitions permitted hereunder.

"Person" means any individual, corporation, partnership, limited -----
liability company, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Preferred Exchange Date" has the meaning assigned thereto in Section -----
3(a).

"Principal Shareholder" has the meaning assigned to that term in -----
7(f)(iv).

"Purchase Date" has the meaning assigned thereto in Section 7(b).

"Redemption Date" with respect to any shares of PIK Preferred Stock,

means the date on which such shares of PIK Preferred Stock are redeemed by the Corporation.

"Redemption Notice" has the meaning assigned thereto in Section 6(c).

"Redemption Premium" means 1% of the Liquidation Preference of the PIK

Preferred Stock being redeemed plus (i) an additional 1% on and after the ninety-first (91) day following the Issue Date and (ii) an additional 1% at the end of each thirty (30) day period thereafter; provided that the Redemption Premium shall not exceed 6%.

"Redemption Price" means the Liquidation Preference per share of the

PIK Preferred Stock to be redeemed plus accrued and unpaid dividends to the Redemption Date plus the Redemption Premium.

"Refinancing Indebtedness" means (i) Indebtedness of the Corporation

or any Restricted Subsidiary incurred or given in exchange for, or the proceeds of which are used to, extend, refinance, renew, replace, substitute, defease or refund any other Indebtedness incurred by the Corporation in accordance with the terms of this Certificate of Designation, and (ii) Indebtedness of any Restricted Subsidiary incurred or given in exchange for, or the proceeds of which are used to, extend, refinance, renew, replace, substitute, defease or refund any other Indebtedness or Disqualified Stock of the Corporation or any Restricted Subsidiary in accordance with the terms of this Certificate of Designation.

"Related Party" has the meaning assigned to that term in 7(f)(v).

"Reset Date" means initially the Issue Date and subsequently the

first day following each 90-day period thereafter.

"Restricted Subsidiary" means a Subsidiary of the Corporation other

than an Unrestricted Subsidiary.

"SEC" means the Securities and Exchange Commission, as from time to

time constituted, created under the Exchange Act.

"Sconnix Note" shall mean the note of Sconnix Broadcasting Company,

a New Hampshire limited partnership, in the aggregate principal amount of \$12,000,000, acquired or to be acquired by the Corporation in connection with the Intracoastal Merger.

"Securities Act" means the Securities Act of 1933, as it may be

amended and any successor act thereto.

"Securities Purchase Agreement" means the Securities Purchase

Agreement, dated as of June 4, 1998, among the Corporation, CSFBC and the several Buyers named therein.

"Senior Bank Debt" means (i) the Indebtedness outstanding under

the Senior Bank Facilities, provided that Senior Bank Debt under this clause (i) shall not exceed the difference between (a) the sum of \$1,050,000,000 and any borrowings and letters of credit under the Senior Bank Facilities after the Issue Date to the extent that such borrowings or letters of credit at the time of incurrence or issuance, as the case may be, resulted in combined Indebtedness under the Senior Bank Facilities exceeding the sum of \$1,050,000,000 and to the extent that such borrowings or letters of credit at the time of incurrence or issuance, as the case may be, were permitted under Section 9(a) and (b) the aggregate amount of net proceeds from Asset Sales applied to permanently reduce the level of permitted borrowings under the Senior Bank Facilities pursuant to the terms of any of the Corporation's outstanding Indebtedness and (ii) all Obligations incurred by or owing to the holders or their agent or representatives of such Indebtedness outstanding under the Senior Bank Facilities (including, but not limited to, all fees and expenses of counsel and all other interest, charges, fees and expenses).

"Senior Bank Facilities" means that certain Amended and Restated

Loan Agreement dated as of October 15, 1997 by and among the Corporation, as Borrower, the financial institutions parties thereto, as Banks, and Toronto Dominion (Texas), Inc., as Administrative Agent, as amended by that certain First Amendment to Amended and Restated Loan Agreement dated as of December 31, 1997, that certain Assumption Agreement dated as of January 21, 1998, that certain Second Amendment to Amended and Restated Loan Agreement dated as of March 27, 1998, and that certain Third Amendment to Amended and Restated Loan Agreement dated as of May 11, 1998, as such agreement may be amended, replaced or refinanced by one or more credit agreements consistent, in the reasonable judgement of CSFBC, with the term sheets dated April 2, 1998 from TD Securities (USA), Inc. to (i) the Corporation in respect of a senior subordinated credit facility in the aggregate principal amount of \$150,000,000 and (ii) to American Tower Systems (Delaware), Inc. and American Tower Systems, L.P. in respect of senior secured credit facilities in the aggregate principal amount of \$900,000,000 (true, correct and complete copies of which have been delivered to CSFBC).

"Subsidiary" means, with respect to any Person, any corporation,

association or other business entity of which more than 50% of the total voting power of shares of Equity Interests entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees or other governing body thereof is at the time owned or controlled by such Person (regardless of whether such Equity Interests are owned directly or through one or more other Subsidiaries of such Person or a combination thereof).

"Surviving Person" means, with respect to any Person involved in

or that makes any Disposition, the Person formed by or surviving such Disposition or the Person to which such Disposition is made.

"Three Month LIBOR" means, the rate appearing on Page 3750 of

the Dow Jones Markets Service (or on any successor or substitute page of such Service, or any successor to or substitute for such Service, providing rate quotations comparable to those currently provided on such page of such Service for purposes of providing quotations of interest rates applicable to U.S. Dollar deposits in the London interbank market) at approximately 11:00 a.m., London time, two Business Days prior to the relevant Reset Date, as the rate for U.S. Dollar deposits with a maturity of three months. In the event that such rate is not available at such time for any reason, then the Three-Month LIBOR shall be the rate at which U.S. Dollar deposits of \$5,000,000 and for a maturity of three months are offered by the principal London office of Credit Suisse in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, two Business Days prior to the commencement of the relevant Reset Date.

"Unrestricted Subsidiary" means (i) ATS Needham LLC, (ii) any

Subsidiary of the Corporation that at the time of determination shall be an Unrestricted Subsidiary (as designated by the Board of Directors of the Corporation, as provided below) and (iii) any Subsidiary of an Unrestricted Subsidiary. The Board of Directors of the Corporation may designate any Subsidiary of the Corporation (including any newly acquired or newly formed Subsidiary) to be an Unrestricted Subsidiary if all of the following conditions apply: (a) neither the Corporation nor any of its Restricted Subsidiaries provides credit support for any Indebtedness of such Subsidiary (including any undertaking, agreement or instrument evidencing such Indebtedness), (b) such Subsidiary is not liable, directly or indirectly, with respect to any Indebtedness other than Unrestricted Subsidiary Indebtedness, (c) such Unrestricted Subsidiary is not a party to any agreement, contract, arrangement or understanding at such time with the Corporation or any Restricted Subsidiary of the Corporation unless the terms of any such agreement, contract, arrangement or understanding are no less favorable to the Corporation or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Corporation (the "Third Party Value") or, in the event such condition is not satisfied, the amount of investments permitted under clause (ix) of the definition of Permitted Investments shall be reduced by an amount equal to the value of the portion of such agreement, contract, arrangement or understanding to such Subsidiary in excess of the Third Party Value shall, and (d) such Unrestricted Subsidiary does not own any Capital Stock of any Subsidiary of the Corporation that has not theretofore been or is not simultaneously being designated an Unrestricted Subsidiary. Any such designation by the Board of Directors of the

Corporation shall be evidenced by a board resolution giving effect to such designation and an Officers' Certificate certifying that such designation complies with the foregoing conditions. The Board of Directors of the Corporation may designate any Unrestricted Subsidiary as a Restricted Subsidiary; provided that immediately after giving effect to such

designation, the Corporation could incur all Indebtedness of such Unrestricted Subsidiary as if such Indebtedness was incurred by the Corporation or one of its Restricted Subsidiaries on the date such Subsidiary is designated a Restricted Subsidiary (it being understood that any such designation of a Restricted Subsidiary as an Unrestricted Subsidiary shall be an investment of the Corporation and subject to the restrictions contained in Section 9(b) hereof).

"Unrestricted Subsidiary Distributions" shall mean the amount of

cash distributions received during such period by the Corporation and its Restricted Subsidiaries from any Unrestricted Subsidiary (other than in connection with the repayment of intercompany Indebtedness).

"Unrestricted Subsidiary Indebtedness" of any Unrestricted

Subsidiary means Indebtedness of such Unrestricted Subsidiary (i) as to which neither the Corporation nor any Restricted Subsidiary is directly or indirectly liable (by virtue of the Corporation or any such Restricted Subsidiary being the primary obligor on, guarantor of, or otherwise liable in any respect to, such Indebtedness) and (ii) which, upon the occurrence of a default with respect thereto, does not result in, or permit any Holder of any Indebtedness of the Corporation or any Restricted Subsidiary to declare, a default on such Indebtedness of the Corporation or any Restricted Subsidiary or cause the payment thereof to be accelerated or payable prior to its stated maturity.

"Voting Rights Triggering Event" has the meaning assigned thereto

in Section 5.

"Wholly Owned Restricted Subsidiary" means any Restricted

Subsidiary all of the outstanding Equity Interests (other than directors' qualifying shares) of which are owned, directly or indirectly, by the Corporation or a Surviving Person of any Disposition involving the Corporation, as the case may be.

IN WITNESS WHEREOF, American Tower Systems Corporation has caused this Certificate of Designation to be duly executed by its duly authorized officer and attested by its secretary this fourth day of June, 1998.

AMERICAN TOWER SYSTEMS CORPORATION

By: _____
Name:
Title:

ATTEST:

Name:
Title: Secretary

BY-LAWS
OF
AMERICAN TOWER CORPORATION
(a Delaware Corporation)

AMERICAN TOWER CORPORATION
(a Delaware Corporation)

BY-LAWS
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AMERICAN TOWER CORPORATION

(a Delaware Corporation)

BY-LAWS

ARTICLE I

OFFICES

SECTION 1. Registered Office. The registered office of the Corporation

shall be located in Wilmington, County of New Castle, State of Delaware, and the name of the resident agent in charge thereof shall be Corporation Service Company.

SECTION 2. Other Offices. The Corporation may also have offices at such

other places, within or without the State of Delaware, as the Board of Directors may from time to time appoint or the business of the Corporation may require.

ARTICLE II

SEAL

The seal of the Corporation shall, subject to alteration by the Board of Directors, consist of a flat-faced circular die with the word "Delaware", together with the name of the Corporation and the year of incorporation, cut or engraved thereon.

ARTICLE III

MEETINGS OF STOCKHOLDERS

SECTION 1. Place of Meeting. Meetings of the stockholders shall be held

either within or without the State of Delaware at such place as the Board of Directors may fix from time to time.

SECTION 2. Annual Meetings. The annual meeting of stockholders shall be

held for the election of directors on such date and at such time as the Board of Directors may fix from time to time. Any other proper business may be transacted at the annual meeting.

SECTION 3. Special Meetings. Special meetings of the stockholders for any

purpose or purposes may be called by the Chairman of the Board of Directors, if there be one, the President or by the directors (either by written instrument signed by a majority or by resolution adopted by a vote of the majority), and special meetings shall be called by the President or the Secretary whenever stockholders owning a majority of the capital stock issued, outstanding and entitled to vote so request in writing. Such request of stockholders shall state the purpose or purposes of the proposed meeting.

SECTION 4. Notice. Written or printed notice of every meeting of

stockholders, annual or special, stating the hour, date and place thereof, and the purpose or purposes in general terms for which the meeting is called shall, not less than ten (10) days, or such longer period as shall be provided by law, the Certificate of Incorporation, these By-Laws, or otherwise, and not more than sixty (60) days before such meeting, be served upon or mailed to each stockholder entitled to vote thereat, at the address of such stockholder as it appears upon the stock records of the Corporation or, if such stockholder shall have filed with the Secretary of the Corporation a written request that notices be mailed to some other address, then to the address designated in such request.

Notice of the hour, date, place and purpose of any meeting of stockholders may be dispensed with if every stockholder entitled to vote thereat shall attend either in person or by proxy and shall not, at the beginning of the meeting, object to the holding of such meeting because the meeting has not been lawfully called or convened, or if every absent stockholder entitled to such notice shall in writing, filed with the records of the meeting, either before or after the holding thereof, waive such notice.

SECTION 5. Quorum and Adjournments. Except as otherwise provided by law

or by the Certificate of Incorporation, the presence in person or by proxy at any meeting of stockholders of the holders of a majority of the shares of the capital stock of the Corporation issued and outstanding and entitled to vote thereat, shall be requisite and shall constitute a quorum. If two or more classes of stock are entitled to vote as separate classes upon any question, then, in the case of each such class, a quorum for the consideration of such question shall, except as otherwise provided by law or by the Certificate of Incorporation, consist of a majority in interest of all stock of that class issued, outstanding and entitled to vote. If a majority of the shares of capital stock of the Corporation issued and outstanding and entitled to vote thereat or, where a larger quorum is required, such quorum, shall not be represented at any meeting of the stockholders regularly called, the holders of a majority of the shares present or represented by proxy and entitled to vote thereat shall have power to adjourn the meeting to another time, or to another time and place, without notice other than announcement of adjournment at the meeting, and there may be successive adjournments for like cause and in like manner until the requisite amount of shares entitled to vote at such meeting shall be represented; provided, however, that if the adjournment is for more than thirty (30) days, notice of the hour, date and place of the adjourned meeting shall be given to each stockholder entitled to vote thereat. Subject to the requirements of law and the Certificate of Incorporation, on any issue on which two or more classes of stock are entitled to vote separately, no adjournment shall be taken with respect to any class for which a quorum is

present unless the Chairman of the meeting otherwise directs. At any meeting held to consider matters which were subject to adjournment for want of a quorum at which the requisite amount of shares entitled to vote thereat shall be represented, any business may be transacted which might have been transacted at the meeting as originally noticed.

SECTION 6. Votes; Proxies. Except as otherwise provided in the

Certificate of Incorporation, at each meeting of stockholders, every stockholder of record at the closing of the transfer books, if closed, or on the date set by the Board of Directors for the determination of stockholders entitled to vote at such meeting, shall have one vote for each share of stock entitled to vote which is registered in such stockholder's name on the books of the Corporation, and, in the election of directors, may vote cumulatively to the extent, if any, and in the manner authorized in the Certificate of Incorporation.

At each such meeting every stockholder entitled to vote shall be entitled to do so in person, or by proxy appointed by an instrument in writing or as otherwise permitted by law subscribed by such stockholder and bearing a date not more than three (3) years prior to the meeting in question, unless said instrument provides for a longer period during which it is to remain in force. A duly executed proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A proxy may be made irrevocable regardless of whether the interest with which it is coupled is an interest in the stock itself or any interest in the Corporation generally. A stockholder may revoke any proxy which is not irrevocable by attending the meeting and voting in person or by filing with the Secretary of the Corporation an instrument in writing or as otherwise permitted by law revoking the proxy or another duly executed proxy bearing a later date.

Voting at meetings of stockholders need not be by written ballot and, except as otherwise provided by law, need not be conducted by inspectors of election unless so determined by the Chairman of the meeting or by the holders of shares of stock having a majority of the votes which could be cast by the holders of all outstanding shares of stock entitled to vote thereon which are present in person or represented by proxy at such meeting. If it is required or determined that inspectors of election be appointed, the Chairman shall appoint two inspectors of election, who shall first take and subscribe an oath or affirmation faithfully to execute the duties of inspectors at such meeting with strict impartiality and according to the best of their ability. The inspectors so appointed shall take charge of the polls and, after the balloting, shall make a certificate of the result of the vote taken. No director or candidate for the office of director shall be appointed as such inspector.

At any meeting at which a quorum is present, a plurality of the votes properly cast for election to fill any vacancy on the Board of Directors shall be sufficient to elect a candidate to fill such vacancy, and a majority of the votes properly cast upon any other question shall decide the question, except in any case where a larger vote is required by law, the Certificate of Incorporation, these By-Laws, or otherwise.

SECTION 7. Organization. The Chairman of the Board, if there be one, or

in his or her absence the Vice Chairman, or in the absence of a Vice Chairman, the President, or in the absence of the President, a Vice President, shall call meetings of the stockholders to order and shall act as chairman thereof. The Secretary of the Corporation, if present, shall act as secretary of all meetings of stockholders, and, in his or her absence, the presiding officer may appoint a secretary.

SECTION 8. Consent of Stockholders in Lieu of Meeting. Unless otherwise

restricted by the Certificate of Incorporation, any action required or permitted by the Delaware General Corporation Law to be taken at any annual or special meeting of the stockholders of the Corporation, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than

the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the Corporation by delivery to its registered office in Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to the Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested.

Every written consent shall bear the date of signature of each stockholder who signs the consent and no written consent shall be effective to take the corporate action referred to therein unless, within sixty (60) days of the earliest dated consent delivered in the manner required by this section to the Corporation, written consents signed by a sufficient number of stockholders to take action are delivered to the corporation by delivery to its registered office in Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to the Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested.

Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing. In the event that the action which is consented to is such as would have required the filing of a certificate under any section of the Delaware General Corporation Law other than Section 228 thereof, if such action had been voted on by stockholders at a meeting thereof, the certificate filed under such other section shall state, in lieu of any statement required by such section concerning any vote of stockholders, that written consent has been given in accordance with Section 228 of the Delaware General Corporation Law, and that written notice has been given as provided in such Section 228.

ARTICLE IV

DIRECTORS

SECTION 1. Number. The business and affairs of the Corporation shall be

conducted and managed by a Board of Directors consisting of not less than one director, none of whom needs to be a stockholder. The number of directors for each year shall be fixed at each annual meeting of stockholders, but if the number is not so fixed, the number shall remain as it stood immediately prior to such meeting.

At each annual meeting of stockholders, the stockholders shall elect directors. Each director so elected shall hold office, subject to the provisions of law, the Certificate of Incorporation, these By-Laws, or otherwise, until the next annual meeting of stockholders or until his or her successor is elected and qualified.

At any time during any year, except as otherwise provided by law, the Certificate of Incorporation, these By-Laws, or otherwise, the number of directors may be increased or reduced, in each case by vote of a majority of the stock issued and outstanding and present in person or represented by proxy and entitled to vote for the election of directors or a majority of the directors in office at the time of such increase or decrease, regardless of whether such majority constitutes a quorum.

SECTION 2. Term of Office. Each director shall hold office until the next

annual meeting of stockholders and until his or her successor is duly elected and qualified or until his or her earlier death or resignation, subject to the right of the stockholders at any time to remove any director or directors as provided in Section 4 of this Article.

SECTION 3. Vacancies. If any vacancy shall occur among the directors, or

if the number of directors shall at any time be increased, the directors then in office, although less than a quorum, by a majority vote may fill the vacancies or newly- created directorships, or any such vacancies or newly-created directorships may be filled by the stockholders at any meeting.

SECTION 4. Removal by Stockholders. Except as otherwise provided by law,

the Certificate of Incorporation or otherwise, the holders of record of the capital stock of the Corporation entitled to vote for the election of directors may, by a majority vote, remove any director or directors, with or without cause, and, in their discretion, elect a new director or directors in place thereof.

SECTION 5. Meetings. Meetings of the Board of Directors shall be held at

such place, within or without the State of Delaware, as may from time to time be fixed by resolution of the Board of Directors or by the Chairman of the Board, if there be one, or by the President, and as may be specified in the notice or waiver of notice of any meeting. Meetings may be held at any

time upon the call of the Chairman of the Board, if there be one, or the President or any two (2) of the directors in office by oral, telegraphic, telex, telecopy or other form of electronic transmission, or written notice, duly served or sent or mailed to each director not less than twenty-four (24) hours before such meeting, except that, if mailed, not less than seventy two (72) hours before such meeting.

Meetings may be held at any time and place without notice if all the directors are present and do not object to the holding of such meeting for lack of proper notice or if those not present shall, in writing or by telegram, telex, telecopy or other form of electronic transmission, waive notice thereof. A regular meeting of the Board may be held without notice immediately following the annual meeting of stockholders at the place where such meeting is held. Regular meetings of the Board may also be held without notice at such time and place as shall from time to time be determined by resolution of the Board. Except as otherwise provided by law, the Certificate of Incorporation or otherwise, neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors or any committee thereof need be specified in any written waiver of notice.

Members of the Board of Directors or any committee thereof may participate in a meeting of such Board or 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 participation in a meeting pursuant to the foregoing provisions shall constitute presence in person at the meeting.

SECTION 6. Votes. Except as otherwise provided by law, the Certificate of

Incorporation or otherwise, the vote of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

SECTION 7. Quorum and Adjournment. Except as otherwise provided by law,

the Certificate of Incorporation or otherwise, a majority of the directors shall constitute a quorum for the transaction of business. If at any meeting of the Board there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time without notice other than announcement of the adjournment at the meeting, and at such adjourned meeting at which a quorum is present any business may be transacted which might have been transacted at the meeting as originally noticed.

SECTION 8. Compensation. Directors shall receive compensation for their

services, as such, and for service on any Committee of the Board of Directors, as fixed by resolution of the Board of Directors and for expenses of attendance at each regular or special meeting of the Board or any Committee thereof. Nothing in this Section shall be construed to preclude a director from serving the Corporation in any other capacity and receiving compensation therefor.

SECTION 9. Action By Consent of Directors. Any action required or

permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without

a meeting if all members of the Board or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board or committee. Such consent shall be treated as a vote adopted at a meeting for all purposes. Such consents may be executed in one or more counterparts and not every Director or committee member need sign the same counterpart.

ARTICLE V

COMMITTEES OF DIRECTORS

SECTION 1. Executive Committee. The Board of Directors may, by resolution

passed by a majority of the whole Board, appoint an Executive Committee of one (1) or more members, to serve during the pleasure of the Board, to consist of such directors as the Board may from time to time designate. The Board of Directors shall designate the Chairman of the Executive Committee.

(a) Procedure. The Executive Committee shall, by a vote of a majority of

its members, fix its own times and places of meeting, determine the number of its members constituting a quorum for the transaction of business, and prescribe its own rules of procedure, no change in which shall be made save by a majority vote of its members.

(b) Responsibilities. During the intervals between the meetings of the

Board of Directors, except as otherwise provided by the Board of Directors in establishing such Committee or otherwise, the Executive Committee shall possess and may exercise all the powers of the Board in the management and direction of the business and affairs of the Corporation; provided, however, that the Executive Committee shall not, except to the extent the Certificate of Incorporation or the resolution providing for the issuance of shares of stock adopted by the Board of Directors as provided in Section 151(a) of the Delaware General Business Corporation Law, have the power:

- (i) to amend or authorize the amendment of the Certificate of Incorporation or these By-Laws;
- (ii) to authorize the issuance of stock;
- (iii) to authorize the payment of any dividend;
- (iv) to adopt an agreement of merger or consolidation of the Corporation or to recommend to the stockholders the sale, lease or exchange of all or substantially all the property and business of the Corporation;

(v) to recommend to the stockholders a dissolution, or a revocation of a dissolution, of the Corporation; or

(vi) to adopt a certificate of ownership and merger pursuant to Section 253 of the Delaware Business Corporation Law.

(c) Reports. The Executive Committee shall keep regular minutes of its

proceedings, and all action by the Executive Committee shall be reported promptly to the Board of Directors. Such action shall be subject to review, amendment and repeal by the Board, provided that no rights of third parties shall be adversely affected by such review, amendment or repeal.

(d) Appointment of Additional Members. In the absence or disqualification

of any member of the Executive Committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not constituting a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in place of any such absent or disqualified member.

SECTION 2. Audit Committee. The Board of Directors may, by resolution

passed by a majority of the whole Board, appoint an Audit Committee of one (1) or more members who shall not be officers or employees of the Corporation to serve during the pleasure of the Board. The Board of Directors shall designate the Chairman of the Audit Committee.

(a) Procedure. The Audit Committee, by a vote of a majority of its

members, shall fix its own times and places of meeting, shall determine the number of its members constituting a quorum for the transaction of business, and shall prescribe its own rules of procedure, no change in which shall be made save by a majority vote of its members.

(b) Responsibilities. The Audit Committee shall review the annual

financial statements of the Corporation prior to their submission to the Board of Directors, shall consult with the Corporation's independent auditors, and may examine and consider such other matters in relation to the internal and external audit of the Corporation's accounts and in relation to the financial affairs of the Corporation and its accounts, including the selection and retention of independent auditors, as the Audit Committee may, in its discretion, determine to be desirable.

(c) Reports. The Audit Committee shall keep regular minutes of its

proceedings, and all action by the Audit Committee shall, from time to time, be reported to the Board of Directors as it shall direct. Such action shall be subject to review, amendment and repeal by the Board, provided that no rights of third parties shall be adversely affected by such review, amendment or repeal.

(d) Appointment of Additional Members. In the absence or disqualification

of any member of the Audit Committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not constituting a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in place of any such absent or disqualified member.

SECTION 3. Other Committees. The Board of Directors may, by resolution

passed by a majority of the whole Board, at any time appoint one or more other committees from and outside of its own number. Every such committee must include at least one member of the Board of Directors. The Board may from time to time designate or alter, within the limits permitted by law, the Certificate of Incorporation and this Article, if applicable, the duties, powers and number of members of such other committees or change their membership, and may at any time abolish such other committees or any of them.

(a) Procedure. Each committee, appointed pursuant to this Section, shall,

by a vote of a majority of its members, fix its own times and places of meeting, determine the number of its members constituting a quorum for the transaction of business, and prescribe its own rules of procedure, no change in which shall be made save by a majority vote of its members.

(b) Responsibilities. Each committee, appointed pursuant to this Section,

shall exercise the powers assigned to it by the Board of Directors in its discretion.

(c) Reports. Each committee appointed pursuant to this Section shall keep

regular minutes of proceedings, and all action by each such committee shall, from time to time, be reported to the Board of Directors as it shall direct. Such action shall be subject to review, amendment and repeal by the Board, provided that no rights of third parties shall be adversely affected by such review, amendment or repeal.

(d) Appointment of Additional Members. In the absence or disqualification

of any member of each committee, appointed pursuant to this Section, the member or members thereof present at any meeting and not disqualified from voting, whether or not constituting a quorum, may unanimously appoint another member of the Board of Directors (or, to the extent permitted, another person) to act at the meeting in place of any such absent or disqualified member.

SECTION 4. Term of Office. Each member of a committee shall hold office

until the first meeting of the Board of Directors following the annual meeting of stockholders (or until such other time as the Board of Directors may determine, either in the vote establishing the committee or at the election of such member or otherwise) and until his or her successor is elected and qualified, or until he or she sooner dies, resigns, is removed, is replaced by change of membership or becomes disqualified by ceasing to be a director (where membership on the Board is required), or until the committee is sooner abolished by the Board of Directors.

ARTICLE VI

OFFICERS

SECTION 1. Officers. The Board of Directors shall elect a President, a

Secretary and a Treasurer, and, in their discretion, may elect a Chairman of the Board, a Vice Chairman of the Board, a Controller, and one or more Executive Vice Presidents, Vice Presidents, Assistant Secretaries, Assistant Treasurers and Assistant Controllers as deemed necessary or appropriate. Such officers shall be elected annually by the Board of Directors at its first meeting following the annual meeting of stockholders (or at such other meeting as the Board of Directors determines), and each shall hold office for the term provided by the vote of the Board, except that each will be subject to removal from office in the discretion of the Board as provided herein. The powers and duties of more than one office may be exercised and performed by the same person.

SECTION 2. Vacancies. Any vacancy in any office may be filled for the

unexpired portion of the term by the Board of Directors, at any regular or special meeting.

SECTION 3. Chairman of the Board. The Chairman of the Board of Directors,

if elected, shall be a member of the Board of Directors and shall preside at its meetings. The Chairman, if other than the President, shall advise and counsel with the President, and shall perform such duties as from time to time may be assigned to him or her by the Board of Directors.

SECTION 4. President. The President shall be the chief executive officer

of the Corporation. Subject to the directions of the Board of Directors, the President shall have and exercise direct charge of and general supervision over the business and affairs of the Corporation and shall perform all duties incident to the office of the chief executive officer of a corporation and such other duties as from time to time may be assigned to him or her by the Board of Directors. The President may but need not be a member of the Board of Directors.

SECTION 5. Executive Vice Presidents and Vice Presidents. Each Executive

Vice President and Vice President shall have and exercise such powers and shall perform such duties as from time to time may be assigned to him or to her by the Board of Directors or the President.

SECTION 6. Secretary. The Secretary shall keep the minutes of all

meetings of the stockholders and of the Board of Directors in books provided for the purpose; shall see that all notices are duly given in accordance with the provisions of law and these By-Laws; the Secretary shall be custodian of the records and of the corporate seal or seals of the Corporation; shall see that the corporate seal is affixed to all documents the execution of which, on behalf of the Corporation under its seal, is duly authorized, and, when the seal is so affixed, he or she may attest the same; the Secretary may sign, with the President, an Executive Vice President or a Vice President, certificates of stock of the Corporation; and, in general, the Secretary shall

perform all duties incident to the office of secretary of a corporation, and such other duties as from time to time may be assigned to him or her by the Board of Directors.

SECTION 7. Assistant Secretaries. The Assistant Secretaries in order of

their seniority shall, in the absence or disability of the Secretary, perform the duties and exercise the powers of the Secretary and shall perform such other duties as the Board of Directors shall prescribe or as from time to time may be assigned by the Secretary.

SECTION 8. Treasurer. The Treasurer shall have charge of and be

responsible for all funds, securities, receipts and disbursements of the Corporation, and shall deposit, or cause to be deposited, in the name of the Corporation, all monies or other valuable effects in such banks, trust companies or other depositories as shall, from time to time, be selected by the Board of Directors; may endorse for collection on behalf of the Corporation checks, notes and other obligations; may sign receipts and vouchers for payments made to the Corporation; may sign checks of the Corporation, singly or jointly with another person as the Board of Directors may authorize, and pay out and dispose of the proceeds under the direction of the Board; the Treasurer shall render to the President and to the Board of Directors, whenever requested, an account of the financial condition of the Corporation; the Treasurer may sign, with the President, or an Executive Vice President or a Vice President, certificates of stock of the Corporation; and in general, shall perform all the duties incident to the office of treasurer of a corporation, and such other duties as from time to time may be assigned by the Board of Directors. Unless the Board of Directors shall otherwise determine, the Treasurer shall be the chief financial officer of the Corporation.

SECTION 9. Assistant Treasurers. The Assistant Treasurers in order of

their seniority shall, in the absence or disability of the Treasurer, perform the duties and exercise the powers of the Treasurer and shall perform such other duties as the Board of Directors shall prescribe or as from time to time may be assigned by the Treasurer.

SECTION 10. Controller. The Controller, if elected, shall be the chief

accounting officer of the Corporation and shall perform all duties incident to the office of a controller of a corporation, and, in the absence of or disability of the Treasurer or any Assistant Treasurer, perform the duties and exercise the powers of the Treasurer and shall perform such other duties as the Board of Directors shall prescribe or as from time to time may be assigned by the President or the Treasurer.

SECTION 11. Assistant Controllers. The Assistant Controllers in order of

their seniority shall, in the absence or disability of the Controller, perform the duties and exercise the powers of the Controller and shall perform such other duties as the Board of Directors shall prescribe or as from time to time may be assigned by the Controller.

SECTION 12. Subordinate Officers. The Board of Directors may appoint such

subordinate officers as it may deem desirable. Each such officer shall hold office for such period, have such authority and perform such duties as the Board of Directors may prescribe. The Board

of Directors may, from time to time, authorize any officer to appoint and remove subordinate officers and to prescribe the powers and duties thereof.

SECTION 13. Compensation. The Board of Directors shall fix the

compensation of all officers of the Corporation. It may authorize any officer, upon whom the power of appointing subordinate officers may have been conferred, to fix the compensation of such subordinate officers.

SECTION 14. Removal. Any officer of the Corporation may be removed, with

or without cause, by action of the Board of Directors.

SECTION 15. Bonds. The Board of Directors may require any officer of the

Corporation to give a bond to the Corporation, conditional upon the faithful performance of his or her duties, with one or more sureties and in such amount as may be satisfactory to the Board of Directors.

ARTICLE VII

CERTIFICATES OF STOCK

SECTION 1. Form and Execution of Certificates. The interest of each

stockholder of the Corporation shall be evidenced by a certificate or certificates for shares of stock in such form as the Board of Directors may from time to time prescribe. The certificates of stock of each class shall be consecutively numbered and signed by the Chairman or Vice Chairman of the Board, if any, the President, an Executive Vice President or a Vice President and by the Secretary, an Assistant Secretary, the Treasurer or an Assistant Treasurer of the Corporation, and may be countersigned and registered in such manner as the Board of Directors may by resolution prescribe, and shall bear the corporate seal or a printed or engraved facsimile thereof. Where any such certificate is signed by a transfer agent or transfer clerk acting on behalf of the Corporation, the signatures of any such Chairman, Vice Chairman, President, Executive Vice President, Vice President, Treasurer, Assistant Treasurer, Secretary or Assistant Secretary may be facsimiles, engraved or printed. In case any officer or officers, who shall have signed, or whose facsimile signature or signatures shall have been used on, any such certificate or certificates, shall cease to be such officer or officers, whether because of death, resignation or otherwise, before such certificate or certificates shall have been delivered by the Corporation, such certificate or certificates may nevertheless be issued and delivered by the Corporation as though the person or persons who signed such certificate or certificates or whose facsimile signature or signatures shall have been used thereon had not ceased to be such officer or officers.

In case the corporate seal which has been affixed to, impressed on, or reproduced in any such certificate or certificates shall cease to be the seal of the Corporation before such certificate or certificates have been delivered by the Corporation, such certificate or certificates may nevertheless be issued and delivered by the Corporation as though the seal affixed thereto, impressed thereon or reproduced therein had not ceased to be the seal of the Corporation.

Every certificate for shares of stock which are subject to any restriction on transfer pursuant to law, the Certificate of Incorporation, these By-Laws, or any agreement to which the Corporation is a party, shall have the restriction noted conspicuously on the certificate, and shall also set forth, on the face or back, either the full text of the restriction or a statement of the existence of such restriction and (except if such restriction is imposed by law) a statement that the Corporation will furnish a copy thereof to the holder of such certificate upon written request and without charge.

Every certificate issued when the Corporation is authorized to issue more than one class or series of stock shall set forth on its face or back either the full text of the preferences, voting powers, qualifications, and special and relative rights of the shares of each class and series authorized to be issued, or a statement of the existence of such preferences, powers, qualifications and rights, and a statement that the Corporation will furnish a copy thereof to the holder of such certificate upon written request and without charge.

SECTION 2. Transfer of Shares. The shares of the stock of the Corporation

shall be transferred on the books of the Corporation by the holder thereof in person or by his or her attorney lawfully constituted, upon surrender for cancellation 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 or guaranty of the authenticity of the signature as the Corporation or its agents may reasonably require. The Corporation shall be entitled to treat the holder of record of any share or shares of stock as the holder in fact thereof and accordingly shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person whether or not it shall have express or other notice thereof, save as expressly provided by law or by the Certificate of Incorporation. It shall be the duty of each stockholder to notify the Corporation of his or her post office address.

SECTION 3. Closing of Transfer Books. The stock transfer books of the

Corporation may, if deemed appropriate by the Board of Directors, be closed for such length of time not exceeding fifty (50) days as the Board may determine, preceding the date of any meeting of stockholders or the date for the payment of any dividend or the date for the allotment of rights or the date when any issuance, change, conversion or exchange of capital stock shall go into effect, during which time no transfer of stock on the books of the Corporation may be made.

SECTION 4. Fixing Date for Determination of Stockholders of Record. In

order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of directors and which record date: (a) in the case of determination of stockholders entitled to vote at any meeting of stockholders or adjournment thereof, shall, unless

otherwise required by law, the Certificate of Incorporation or otherwise, not be more than sixty (60) nor less than ten (10) days before the date of such meeting; (b) in the case of determination of stockholders entitled to express consent to corporate action in writing without a meeting, shall, unless otherwise required by law, the Certificate of Incorporation or otherwise, not be more than ten (10) days from the date upon which the resolution fixing the record date is adopted by the Board of Directors; and (c) in the case of any other action, shall not be more than sixty (60) days prior to such other action. If no record date is fixed: (a) the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held; (b) the record date for determining stockholders entitled to express consent to corporate action in writing without a meeting when no prior action of the Board of Directors is required by law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation in accordance with applicable law, or, if prior action by the Board of Directors is required by law, shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action; and (c) the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

SECTION 5. Lost or Destroyed Certificates. In case of the loss or

destruction of any certificate of stock, a new certificate may be issued under the following conditions:

(a) The owner of said certificate shall file with the Secretary or any Assistant Secretary of the Corporation an affidavit giving the facts in relation to the ownership, and in relation to the loss or destruction of said certificate, stating its number and the number of shares represented thereby; such affidavit shall be in such form and contain such statements as shall satisfy the President, any Executive Vice President, Vice President, the Secretary, any Assistant Secretary, the Treasurer or any Assistant Treasurer, that said certificate has been accidentally destroyed or lost, and that a new certificate ought to be issued in lieu thereof. Upon being so satisfied, any such officer may require such owner to furnish the Corporation a bond in such penal sum and in such form as he or she may deem advisable, and with a surety or sureties approved by him or her, to indemnify and save harmless the Corporation from any claim, loss, damage or liability which may be occasioned by the issuance of a new certificate in lieu thereof. Upon such bond being so filed, if so required, a new certificate for the same number of shares shall be issued to the owner of the certificate so lost or destroyed; and the transfer agent and registrar, if any, of stock shall countersign and register such new certificate upon receipt of a written order signed by any such officer, and thereupon the Corporation will save harmless said transfer agent and registrar in the premises.

In case of the surrender of the original certificate, in lieu of which a new certificate has been issued, or the surrender of such new certificate, for cancellation, the bond of indemnity given as a condition of the issue of such new certificate may be surrendered; or

(b) The Board of Directors of the Corporation may by resolution authorize and direct any transfer agent or registrar of stock of the Corporation to issue and register respectively from time to time without further action or approval by or on behalf of the Corporation new certificates of stock to replace certificates reported lost, stolen or destroyed upon receipt of an affidavit of loss and bond of indemnity in form and amount and with surety satisfactory to such transfer agent or registrar in each instance or upon such terms and conditions as the Board of Directors may determine.

SECTION 6. Uncertificated Shares. The Board of Directors of the

Corporation may by resolution provide that one or more of any or all classes or series of the stock of the Corporation shall be uncertificated shares, subject to the provisions of Section 158 of the Delaware General Corporation Law.

ARTICLE VIII

EXECUTION OF DOCUMENTS

SECTION 1. Execution of Checks, Notes, etc. All checks and drafts on the

Corporation's bank accounts and all bills of exchange and promissory notes, and all acceptances, obligations and other instruments for the payment of money, shall be signed by such officer or officers, or agent or agents, as shall be thereunto authorized from time to time by the Board of Directors, which may in its discretion authorize any such signatures to be facsimile.

SECTION 2. Execution of Contracts, Assignments, etc. Unless the Board of

Directors shall have otherwise provided generally or in a specific instance, all contracts, agreements, endorsements, assignments, transfers, stock powers, or other instruments shall be signed by the President, any Executive Vice President, any Vice President, the Secretary, any Assistant Secretary, the Treasurer or any Assistant Treasurer. The Board of Directors may, however, in its discretion, require any or all such instruments to be signed by any two or more of such officers, or may permit any or all of such instruments to be signed by such other officer or officers, agent or agents, as it shall be thereunto authorize from time to time.

SECTION 3. Execution of Proxies. The President, any Executive Vice

President or any Vice President, and the Secretary, the Treasurer, any Assistant Secretary or any Assistant Treasurer, or any other officer designated by the Board of Directors, may sign on behalf of the Corporation proxies to vote upon shares of stock of other companies standing in the name of the Corporation.

ARTICLE IX

INSPECTION OF BOOKS

The Board of Directors shall determine from time to time whether, and if allowed, to what extent and at what time and places and under what conditions and regulations, the accounts and books of the Corporation (except such as may by law be specifically open to inspection) or any of them, shall be open to the inspection of the stockholders, and no stockholder shall have any right to inspect any account or book or document of the Corporation, except as conferred by the laws of the State of Delaware, unless and until authorized so to do by resolution of the Board of Directors or of the stockholders of the Corporation.

ARTICLE X

FISCAL YEAR

The fiscal year of the Corporation shall be determined from time to time by vote of the Board of Directors.

ARTICLE XI

AMENDMENTS

These By-Laws may be altered, amended, changed or repealed and new By-Laws adopted by the stockholders or, to the extent provided in the Certificate of Incorporation, by the Board of Directors, in either case at any meeting called for that purpose at which a quorum shall be present. Any by-law, whether made, altered, amended, changed or repealed by the stockholders or the Board of Directors may be repealed, amended, changed, further amended, changed, repealed or reinstated, as the case may be, either by the stockholders or by the Board of Directors, as herein provided; except that this Article may be altered, amended, changed or repealed only by vote of the stockholders.

ARTICLE XII

INDEMNIFICATION

SECTION 1. Indemnification. (a) The Corporation shall indemnify and hold

harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person who was or is a party or is threatened to be made a party or is otherwise involved in 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) by reason of the fact that he, or a person for whom he is the legal representative, is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the

Corporation as a director, officer, partner, member, trustee, employee or agent of another corporation, partnership, joint venture, limited liability company, trust or other enterprise or non-profit entity against all liability, losses, expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interest of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

(b) The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, partner, member, trustee, employee or agent of another corporation, partnership, joint venture, limited liability company, trust or other enterprise or non-profit entity against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation; except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Corporation unless and only to the extent that the Court of Chancery of the State of Delaware or the court in which such action or suit was brought shall determine upon application that despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery of the State of Delaware or such other court shall deem proper.

(c) To the extent that any person referred to in paragraphs (a) or (b) has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to therein, or in defense of any claim, issue or matter therein, he or she shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection therewith.

SECTION 2. Authorization. Any indemnification under Section 1 of this

Article (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, partner, member, trustee, employee or agent is proper in the circumstances because such person has met the applicable standard of conduct set forth in Section 1 of this Article. Such determination shall be made: (a) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (b) if such a quorum is not obtainable, or, even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in written opinion, or (c) by the stockholders.

SECTION 3. Expense Advance. Expenses (including attorneys' fees) incurred

by an officer or director of the Corporation in defending any civil, criminal, administrative or investigative action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the manner provided in Section 2 of this Article upon receipt of an undertaking by or on behalf of such officer or director to repay such amount, unless it shall ultimately be determined that such person is entitled to be indemnified by the Corporation as authorized in this Article. Such expenses (including attorneys' fees) incurred by other employees or agents of the Corporation may be so paid upon such terms and conditions, if any, as the Board of Directors deems appropriate.

SECTION 4. Nonexclusivity. The indemnification and advancement of

expenses provided by, or granted pursuant to, the other Sections of this Article shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any statute, by-law, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in an official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, partner, member, trustee, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

SECTION 5. Insurance. The Corporation shall have power to purchase and

maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, partner, member, trustee, employee or agent of another corporation, partnership, joint venture, limited liability company, trust or other enterprise or non-profit entity against any liability asserted against and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of this Article or Section 145 of the Delaware General Corporation Law.

SECTION 6. "The Corporation". For the purposes of this Article,

references to "the Corporation" shall include the resulting corporation and, to the extent that the Board of Directors of the resulting corporation so decides, all constituent corporations (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers and employees or agents so that any person who is or was a director, officer, employee or agent of such a constituent corporation or is or was serving at the request of such constituent corporation as director, officer, partner, member, trustee, employee or agent of another corporation, partnership, joint venture, limited liability company, trust or other enterprise or non-profit entity shall stand in the same position under the provisions of this Article with respect to the resulting or surviving corporation if its separate existence had continued.

SECTION 7. Other Indemnification. The Corporation's obligation, if any,

to indemnify any person who was or is serving at its request as a director, trustee, partner, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise or non-profit entity shall be reduced by any amount such person may collect as indemnification from such other corporation, partnership, joint venture, trust or other enterprise or non-profit entity or from insurance.

SECTION 8. Other Definitions. For purposes of this Article, references to

"other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of the Corporation" shall include any service as a director, trustee, officer, employee or agent of the Corporation which imposes duties on, or involves services by, such director, trustee, officer, employee, or agent with respect to an employee benefit plan, its participants, or beneficiaries; and a person who acted in good faith and in a manner he or she reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Corporation" as referred to in this Article.

SECTION 9. Continuation of Indemnification. The indemnification and

advancement of expenses provided by, or granted pursuant to, this Article shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director, trustee, partner, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

SECTION 10. Amendment or Repeal. Neither the amendment nor repeal of this

Article nor the adoption of any provision of these By-Laws inconsistent with this Article shall reduce, eliminate or adversely affect any right or protection hereunder of any person in respect of any act or omission occurring prior to the effectiveness of such amendment, repeal or adoption.

SULLIVAN & WORCESTER LLP
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IN WASHINGTON, D.C.
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NEW YORK, NEW YORK 10017
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FAX NO. 212-758-2151

June 30, 1998

American Tower Corporation
116 Huntington Avenue
Boston, Massachusetts 02116

Ladies and Gentlemen:

In connection with the registration under the Securities Act of 1933, as amended (the "Securities Act"), by American Tower Corporation (formerly American Tower Systems Corporation), a Delaware Corporation ("American Tower"), of 26,252,625 shares (the "Shares") of its Class A Common Stock, par value \$.01 per share (the "Class A Common Stock"), 22,386,602 of which Shares (including those of which may be issued pursuant to the over-allotment option contained in the Registration Statement hereinafter referred to) are to be offered by American Tower and 3,866,023 of which Shares are to be offered by the Selling Stockholders (described in the Registration Statement), the following opinion is furnished to you to be filed with the Securities and Exchange Commission (the "Commission") as Exhibit 5 to American Tower's registration statement on Form S-1 (the "Registration Statement").

We have acted as counsel to American Tower in connection with the preparation of the Registration Statement, and we have examined originals or copies, certified or otherwise identified to our satisfaction, of the Registration Statement, corporate records, certificates and statements of officers and accountants of American Tower, and of public officials, and such other documents as we have considered relevant and necessary in order to furnish the opinion hereinafter set forth. We express no opinion herein as to any laws other than the General Corporation Law of the State of Delaware.

The authorized capital stock of American Tower consists of 20,000,000 shares of preferred stock, par value \$.01 per share (the "Preferred Stock"), the relative designations, preferences, rights and restrictions of which are to be designated from time to time by the Board of Directors of American Tower, 200,000,000 shares of Class A Common Stock, 50,000,000 shares of Class B Common Stock, par value \$.01 per share, and 10,000,000 shares of Class C Common Stock, par value \$.01 per share (collectively, the "Common Stock").

Based on and subject to the foregoing, we are of the opinion that: (a) the Shares have been duly and validly authorized by American Tower; (b) with respect to the Shares to be

offered by the Selling Stockholders, all necessary actions on the part of American Tower in connection with the issuance of said Shares have been taken and said Shares are validly issued, fully paid and non-assessable; and (c) with respect to the Shares to be offered by American Tower, all necessary actions on the part of American Tower in connection therewith have been taken and, upon delivery to the underwriters against payment therefor in accordance with the terms of the Underwriting Agreement to be entered into among American Tower, the Selling Stockholders, Credit Suisse First Boston Corporation, BT Alex. Brown Incorporated, Lehman Brothers Inc., Morgan Stanley & Co. Incorporated, Bear, Stearns & Co. Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, and Smith Barney Inc., said Shares will be validly issued, fully paid and non-assessable.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to our firm therein under the caption "Validity of the Shares." In giving such consent, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the Securities Act or under the Rules and Regulations of the Commission promulgated thereunder.

Very truly yours,

SULLIVAN & WORCESTER LLP

PARENT LOAN AGREEMENT

AMONG

AMERICAN TOWER CORPORATION;

THE FINANCIAL INSTITUTIONS WHOSE NAMES APPEAR
AS LENDERS ON THE SIGNATURE PAGES HEREOF;

AND

TORONTO DOMINION (TEXAS), INC.,
AS ADMINISTRATIVE AGENT
FOR THE LENDERS

DATED AS OF JUNE 16, 1998

POWELL, GOLDSTEIN, FRAZER & MURPHY LLP
ATLANTA, GEORGIA

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PARENT LOAN AGREEMENT
AMONG
AMERICAN TOWER CORPORATION;
THE FINANCIAL INSTITUTIONS WHOSE NAMES APPEAR
AS LENDERS ON THE SIGNATURE PAGES HEREOF;
AND
TORONTO DOMINION (TEXAS), INC.,
AS ADMINISTRATIVE AGENT
FOR THE LENDERS

WHEREAS, the Borrower (as defined below) has requested and the Lenders (as defined below) have agreed, subject to the terms and conditions set forth herein, to make available to the Borrower a term credit facility; and

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

ARTICLE 1 Definitions

For the purposes of this Agreement:

"Acquisition" shall mean (whether by purchase, lease, exchange,

issuance of stock or other equity or debt securities, merger, reorganization or any other method) (i) any acquisition by the Borrower or any of the Restricted Subsidiaries of any other Person, which Person shall then become consolidated with the Borrower or any such Restricted Subsidiary in accordance with GAAP; (ii) any acquisition by the Borrower or any of the Restricted Subsidiaries of all or any substantial part of the assets of any other Person; or (iii) any acquisition by Borrower or any of the Restricted Subsidiaries of any business (or related contracts) primarily involving the management of communications sites, towers, or other facilities for third parties, other than any such Acquisition which shall be made by, or of, any Person which shall have been designated and, to the extent required hereby, approved as an Unrestricted Subsidiary.

"Acquisition Operating Cash Flow" shall mean in the case of an

Acquisition permitted hereunder, Operating Cash Flow (New Towers), Operating Cash Flow (Towers) and Operating Cash Flow (Other Business), as applicable, of the Borrower and its Restricted Subsidiaries for the period during which such Acquisition occurs, adjusted to give effect to such Acquisition, as if such Acquisition had occurred on the first day of such period, by

excluding the Operating Cash Flow (New Towers), Operating Cash Flow (Towers) and Operating Cash Flow (Other Business), as applicable, of such Acquisition during such period prior to and including the date of such Acquisition and adding to the Operating Cash Flow (New Towers), Operating Cash Flow (Towers) and Operating Cash Flow (Other Business), as applicable, of the Borrower and its Restricted Subsidiaries, if positive, or subtracting from such Operating Cash Flow (New Towers), Operating Cash Flow (Towers) and Operating Cash Flow (Other Business), as applicable, if negative, the product of (i) the actual Operating Cash Flow (New Towers), Operating Cash Flow (Towers) and Operating Cash Flow (Other Business), as applicable, of such Acquisition for that portion following such period from the date of such Acquisition to the last day of such period, multiplied by (ii) a fraction the numerator of which is the number of calendar days in such period and the denominator of which is the number of days in such period following the date of such Acquisition through the last day of such period.

"Administrative Agent" shall mean Toronto Dominion (Texas), Inc., in

its capacity as Administrative Agent for the Lenders or any successor
Administrative Agent appointed pursuant to Section 9.12 hereof.

"Administrative Agent's Office" shall mean the office of the

Administrative Agent located at 909 Fannin Street, Suite 1700, Houston Texas
77010, or such other office as may be designated pursuant to the provisions of
Section 11.1 hereof.

"Advance" shall mean amounts advanced by the Lenders to the Borrower

pursuant to Article 2 hereof on the occasion of any borrowing and having the
same Interest Rate Basis and Interest Period; and "Advances" shall mean more
than one Advance.

"Affiliate" shall mean, with respect to a Person, any other Person

directly or indirectly controlling, controlled by, or under common control with,
such first Person. For purposes of this definition, "control", when used with
respect to any Person, includes, without limitation, the direct or indirect
beneficial ownership of more than ten percent (10%) of the voting securities or
voting equity of such Person or the power to direct or cause the direction of
the management and policies of such Person whether by contract or otherwise.

"Agreement" shall mean this Parent Loan Agreement, as amended,

supplemented, restated or otherwise modified from time to time.

"Agreement Date" shall mean the date as of which this Agreement is

dated.

"American Radio Systems" shall mean American Radio Systems

Corporation, a Delaware corporation.

"Annualized Operating Cash Flow" shall mean as of any calculation

date, (i) the sum of (A) the product of (1) Operating Cash Flow (Towers) for the fiscal quarter-end being tested or the most recently completed fiscal quarter immediately preceding such calculation date, as the case may be, times (2) four

(4); (B) the product of (1) Operating Cash Flow (New Towers) for the calendar month-end being tested, or the most recently completed calendar month immediately preceding such calculation date, as the case may be, times (2)

twelve (12); and (C) Operating Cash Flow (Other Business) for the four fiscal quarter period end being tested, or the most recently completed four (4) fiscal quarter period immediately preceding such calculation date, as the case may be, minus (b) corporate overhead (exclusive of amortization and depreciation) of the

- -----
Borrower and its Restricted Subsidiaries (on a consolidated basis) for the twelve (12) calendar month period then ended or ending immediately prior to the calculation date, as the case may be.

"Applicable Law" shall mean, in respect of any Person, all provisions

of constitutions, statutes, rules, regulations and orders of governmental bodies or regulatory agencies applicable to such Person, including, without limiting the foregoing, the Licenses, the Communications Act, zoning ordinances and all Environmental Laws, and all orders, decisions, judgments and decrees of all courts and arbitrators in proceedings or actions to which the Person in question is a party or by which it is bound.

"Approved Fund" means, with respect to any Lender that is a fund that

invests in commercial loans, any other fund that invests in commercial loans and is managed by the same investment advisor as such Lender or by an Affiliate of such investment advisor.

"Assignment of General Partner Interests" shall mean that certain

Assignment of General Partner Interests, dated as of the even date herewith, made by ATSC GP in favor of the Administrative Agent, substantially in the form of Exhibit G-2 attached hereto.

"Assignment of Limited Partner Interests" shall mean that certain

Assignment of Limited Partner Interests, dated as of even date herewith, made by ATSC LP in favor of the Administrative Agent, substantially in the form of Exhibit G-3 attached hereto.

- -----
"ATS" shall mean American Tower Systems, L.P., a Delaware limited

partnership, and a wholly-owned Subsidiary of the Borrower.

"ATS (Delaware)" shall mean American Tower Systems (Delaware), Inc., a

Delaware corporation, and a wholly-owned Subsidiary of the Borrower.

"ATS Facility A Loan Agreement" shall mean that certain ATS Facility A

Loan Agreement dated as of the even date herewith by and among ATS, ATS (Delaware), the Administrative Agent (as defined therein) and the financial institutions parties thereto, providing for a revolving credit facility and a term credit facility, as the same may be amended, modified, restated and supplemented from time to time.

"ATS Facility B Loan Agreement" shall mean that certain ATS Facility B

Loan Agreement dated as of the even date herewith by and among ATS, ATS (Delaware), the Administrative Agent (as defined therein) and the financial institutions parties thereto, providing for a revolving credit facility, as the same may be amended, modified, restated and supplemented from time to time.

"ATSC GP" shall mean ATSC GP Inc., a Delaware corporation, and a

wholly-owned Subsidiary of ATSC Holding.

"ATSC Holding" shall mean ATSC Holding Inc., a Delaware corporation,

and a wholly-owned Subsidiary of the Borrower.

"ATSC LP" shall mean ATSC LP Inc., a Delaware corporation, and a

wholly-owned Subsidiary of ATSC Operating.

"ATSC Operating" shall mean ATSC Operating Inc., a Delaware

corporation, and a wholly-owned Subsidiary of ATS (Delaware).

"Authorized Signatory" shall mean such senior personnel of a Person as

may be duly authorized and designated in writing by such Person to execute documents, agreements and instruments on behalf of such Person.

"Base Rate" shall mean, at any time, a fluctuating interest rate per

annum equal to the higher of (a) the rate of interest quoted from time to time by the Administrative Agent as its "prime rate" or "base rate" and (b) the Federal Funds Rate plus one and one-half percent (1.50%). The Base Rate is not

necessarily the lowest rate of interest charged by the Administrative Agent in connection with extensions of credit.

"Base Rate Advance" shall mean an Advance which the Borrower requests

to be made as a Base Rate Advance or is reborrowed as a Base Rate Advance, in accordance with the provisions of Section 2.2 hereof, and which shall be in a principal amount of at least \$1,000,000 and in an integral multiple of \$500,000.

"Base Rate Basis" shall mean a simple interest rate equal to the sum

of (i) the Base Rate, plus (ii) two and one-half percent (2.50%). The Base Rate

Basis shall be adjusted automatically as of the opening of business on the
effective date of each change in the Base Rate to account for such change.

"Borrower" shall mean American Tower Corporation, a Delaware

corporation.

"Business Day" shall mean a day on which banks and foreign exchange

markets are open for the transaction of business required for this Agreement in
Houston, Texas, New York, New York and London, England, as relevant to the
determination to be made or the action to be taken.

"Capital Expenditures" shall mean, for any period, expenditures

(including, without limitation, the aggregate amount of Capitalized Lease
Obligations required to be paid during such period) incurred by any Person to
acquire or construct fixed assets, plant and equipment (including, without
limitation, renewals, improvements and replacements, but excluding repairs and
maintenance) during such period, that would be required to be capitalized on the
balance sheet of such Person in accordance with GAAP.

"Capital Stock" shall mean, as applied to any Person, any capital

stock of such Person, regardless of class or designation, and all warrants,
options, purchase rights, conversion or exchange rights, voting rights, calls or
claims of any character with respect thereto.

"Capitalized Lease Obligation" shall mean that portion of any

obligation of a Person as lessee under a lease which at the time would be
required to be capitalized on the balance sheet of such lessee in accordance
with GAAP.

"Certificate of Financial Condition" shall mean a certificate,

substantially in the form of Exhibit A attached hereto, signed by the chief

financial officer of the Borrower, together with any schedules, exhibits or
annexes appended thereto.

"Change of Control" shall mean (a) the failure of the Borrower to own,

directly or indirectly, one hundred percent (100%) of the ownership interests of
ATS and ATS (Delaware), (b) the failure of ATS (Delaware) to own, directly or
indirectly, one hundred percent (100%) of the ownership interests of ATSC
Operating and ATSC Holding (unless such Persons are merged into ATS (Delaware)),
(c) the sale, lease, transfer, in one or a series of related transactions, of
all or substantially all of the Borrower's assets to any Person or group (as
such term is used in Section 13(d)(3) of the Exchange Act), other than to any
wholly-owned, directly or indirectly, Subsidiary, (d) the adoption of a plan
relating to the liquidation or dissolution of the Borrower, (e) the acquisition,
directly or indirectly, by any

Person or group (as such term is used in Section 13(d)(3) of the Exchange Act) of forty percent (40%) or more of the voting power of the voting stock of the Borrower by way of merger or consolidation or otherwise, and such Persons own more voting power than the Principal Shareholders, or (f) the Continuing Directors cease for any reason to constitute a majority of the directors of the Borrower then in office.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

"Collateral" shall mean any property of any kind constituting collateral for the Obligations under any of the Security Documents.

"Commitment" shall mean the several obligations of the Lenders to fund their respective portion of the Loans to the Borrower in accordance with their respective Commitment Ratios in the aggregate sum of up to \$150,000,000, pursuant to the terms hereof, as such obligations may be reduced from time to time pursuant to the terms hereof.

"Commitment Ratios" shall mean the percentages in which the Lender are severally bound to fund their respective portion of Advances to the Borrower under the Commitment, which are set forth below (together with dollar amounts) (and which may change from time to time in accordance with Section 11.5 hereof):

Lender - - - - -	Approximate Percentage - - - - -	Dollar Commitment - - - - -
Toronto Dominion (Texas), Inc.	48.66666667%	\$ 73,000,000.00
General Electric Capital Corporation	10.00000000%	\$ 15,000,000.00
Chase Securities, Inc.	6.66666667%	\$ 10,000,000.00
Bank of Montreal, Chicago Branch	6.66666667%	\$ 10,000,000.00
ING High Income Principal Preservation Fund Holdings, LDC	6.66666667%	\$ 10,000,000.00
Octagon Loan Trust	6.66666667%	\$ 10,000,000.00
Credit Lyonnais New York Branch	3.33333333%	\$ 5,000,000.00
Union Bank of California, N.A.	3.33333333%	\$ 5,000,000.00
Debt Strategies Fund, Inc.	2.66666667%	\$ 4,000,000.00
Debt Strategies Fund II, Inc.	2.66666667%	\$ 4,000,000.00
Senior High Income Portfolio, Inc.	2.66666667%	\$ 4,000,000.00
TOTAL =====	\$100% =====	\$150,000,000.00 =====

"Communications Act" shall mean the Communications Act of 1934, and

any similar or successor federal statute, and the rules and regulations of the
FCC thereunder, all as the same may be in effect from time to time.

"Continuing Director" shall mean any member of the Board of Directors

of the Borrower who (i) is a member of that Board of Directors on the Agreement
Date or (ii) was nominated for election by either (a) one or more of the
Principal Shareholders (or a Related Party thereof) or (b) the Board of
Directors a majority of whom were directors at the Agreement Date or whose
election or nomination for election was previously approved by one or more of
the Principal Shareholders or such directors.

"Default" shall mean any Event of Default, and any of the events

specified in Section 8.1 hereof, regardless of whether there shall have occurred
any passage of time or giving of notice, or both, that would be necessary in
order to constitute such event an Event of Default.

"Default Rate" shall mean a simple per annum interest rate equal to

the sum of (a) the Base Rate and (b) four and one-half percent (4.5%).

"Employee Pension Plan" shall mean any Plan which is maintained by the

Borrower, any of its Subsidiaries or any ERISA Affiliate.

"Environmental Laws" shall mean all applicable federal, state or local

laws, statutes, rules, regulations or ordinances, codes, common law, consent
agreements, orders, decrees, judgments or injunctions issued, promulgated,
approved or entered thereunder relating to public health, safety or the
pollution or protection of the environment, including, without limitation, those
relating to releases, discharges, emissions, spills, leaching, or disposals to
air, water, land or ground water, to the withdrawal or use of ground water, to
the use, handling or disposal of polychlorinated biphenyls, asbestos or urea
formaldehyde, to the treatment, storage, disposal or management of hazardous
substances (including, without limitation, petroleum, crude oil or any fraction
thereof, or other hydrocarbons), pollutants or contaminants, to exposure to
toxic, hazardous or other controlled, prohibited, or regulated substances,
including, without limitation, any such provisions under the Comprehensive
Environmental Response, Compensation and Liability Act of 1980, as amended (42
U.S.C. (S) 9601 et seq.), or the Resource Conservation and Recovery Act of 1976,
as amended (42 U.S.C. (S) 6901 et seq.).

"ERISA" shall mean the Employee Retirement Income Security Act of

1974, as in effect from time to time.

"ERISA Affiliate" shall mean any Person, including a Subsidiary or an

Affiliate of the Borrower, that is a member of any group of organizations of
which the Borrower is a member and which is covered by a Plan.

"Eurodollar Reserve Percentage" shall mean the percentage which is in

effect from time to time under Regulation D of the Board of Governors of the
Federal Reserve System, as such regulation may be amended from time to time, as
the maximum reserve requirement applicable with respect to Eurocurrency
Liabilities (as that term is defined in Regulation D), whether or not any Lender
has any such Eurocurrency Liabilities subject to such reserve requirement at
that time.

"Event of Default" shall mean any of the events specified in Section

8.1 hereof; provided, however, that any requirement for notice or lapse of time,

or both, has been satisfied.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as

amended.

"FCC" shall mean the Federal Communications Commission, or any other

similar or successor agency of the federal government administering the
Communications Act.

"Federal Funds Rate" shall mean, as of any date, the weighted average

of the rates on overnight federal funds transactions with the members of the
Federal Reserve System arranged by federal funds brokers, as published for such
day (or, if such day is not a Business Day, for the next preceding Business Day)
by the Federal Reserve Bank of New York or, if such rate is not so published for
any day which is a Business Day, the average of the quotations for such day on
such transactions received by the Administrative Agent from three (3) federal
funds brokers of recognized standing selected by the Administrative Agent.

"GAAP" shall mean, as in effect from time to time, generally accepted

accounting principles in the United States, consistently applied.

"Guaranty" or "Guaranteed," as applied to an obligation, shall mean

and include (a) a guaranty, direct or indirect, in any manner, of all or any
part of such obligation, and (b) any agreement, direct or indirect, contingent
or otherwise, the practical effect of which is to assure in any way the payment
or performance (or payment of damages in the event of non-performance) of all or
any part of such obligation, including, without limiting the foregoing, any
reimbursement obligations as to amounts drawn down by beneficiaries of
outstanding letters of credit or capital call requirements; provided, however,

that the term "Guarantee" shall not include guarantees entered into in the
ordinary course of business, including,

without limitation, the New Tower Operation Business, not involving Indebtedness for Money Borrowed.

"Indebtedness" shall mean, with respect to any Person, and without

duplication, (a) all items, except items of shareholders' and partners' equity or capital stock or surplus or general contingency or deferred tax reserves, which in accordance with GAAP would be included in determining total liabilities as shown on the liability side of a balance sheet of such Person, including, without limitation, with respect to any secured non-recourse obligations of such Person, the higher of the book value or fair market value of the property or asset securing such obligation (if less than the amount of such obligation), (b) all direct or indirect obligations of any other Person secured by any Lien to which any property or asset owned by such Person is subject, but only to the extent of the higher of the fair market value or the book value of the property or asset subject to such Lien (if less than the amount of such obligation), if the obligation secured thereby shall not have been assumed, (c) to the extent not otherwise included, all Capitalized Lease Obligations of such Person and all obligations of such Person with respect to leases constituting part of a sale and lease-back arrangement, (d) all reimbursement obligations with respect to outstanding letters of credit, (e) to the extent not otherwise included, all obligations subject to Guaranties of such Person or its Subsidiaries, and (f) all obligations of such Person under Interest Hedge Agreements; provided,

however, that the Intracoastal Notes shall not be deemed to be, and shall be

excluded from, Indebtedness.

"Indebtedness for Money Borrowed" shall mean, with respect to any

Person, Indebtedness for money borrowed and Indebtedness represented by notes payable and drafts accepted representing extensions of credit, all obligations evidenced by bonds, debentures, notes or other similar instruments, all Indebtedness upon which interest charges are customarily paid (other than trade payables arising in the ordinary course of business, but only if and so long as such accounts are payable on customary trade terms), all Capitalized Lease Obligations, all reimbursement obligations with respect to outstanding letters of credit, all Indebtedness issued or assumed as full or partial payment for property or services (other than trade payables arising in the ordinary course of business, but only if and so long as such accounts are payable on customary trade terms), whether or not any such notes, drafts, obligations or Indebtedness represent Indebtedness for money borrowed, and, without duplication, Guaranties of any of the foregoing; provided, however, that the Intracoastal Notes shall

not be deemed to be, and shall be excluded from, Indebtedness. For purposes of this definition, interest which is accrued but not paid on the scheduled due date for such interest shall be deemed Indebtedness for Money Borrowed.

"Indemnatee" shall have the meaning ascribed thereto in Section 5.11

hereof.

"Intercreditor Agreement" shall mean that certain Intercreditor

Agreement dated as of the even date herewith among the Lenders, the Administrative Agent, and the Banks and the Administrative Agent under each of the ATS Facility A Loan Agreement and the ATS Facility B Loan Agreement.

"Interest Hedge Agreements" shall mean the obligations of any Person

pursuant to any arrangement with any other Person whereby, directly or indirectly, such Person is entitled to receive from time to time periodic payments calculated by applying either a floating or a fixed rate of interest on a stated notional amount in exchange for periodic payments made by such Person calculated by applying a fixed or a floating rate of interest on the same notional amount and shall include, without limitation, interest rate swaps, caps, floors, collars and similar agreements.

"Interest Period" shall mean (a) in connection with any Base Rate

Advance, the period beginning on the date such Advance is made and ending on the last day of the calendar quarter in which such Advance is made, provided,

however, that if a Base Rate Advance is made on the last day of any calendar

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quarter, it shall have an Interest Period ending on, and its Payment Date shall be, the last day of the following calendar quarter, and (b) in connection with any LIBOR Advance, the term of such Advance selected by the Borrower or otherwise determined in accordance with this Agreement. Notwithstanding the foregoing, however, (i) any applicable Interest Period which would otherwise end on a day which is not a Business Day shall be extended to the next succeeding Business Day unless, with respect to LIBOR Advances only, such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day, (ii) any applicable Interest Period, with respect to LIBOR Advances only, which begins on a day for which there is no numerically corresponding day in the calendar month during which such Interest Period is to end shall (subject to clause (i) above) end on the last day of such calendar month, and (iii) the Borrower shall not select an Interest Period which extends beyond the Maturity Date or such earlier date as would interfere with the Borrower's repayment obligations under Section 2.4 hereof. Interest shall be due and payable with respect to any Advance as provided in Section 2.3 hereof.

"Interest Rate Basis" shall mean the Base Rate Basis or the LIBOR

Basis, as appropriate.

"Interim Financing" shall mean the Redeemable Pay-In-Kind Preferred

Stock referred to in the Private Placement Memorandum, dated as of May 28, 1998 (a true and correct copy of which has been delivered to the Administrative Agent) and shall include the Exchange Preferred (as defined therein).

"Intracoastal Notes" shall mean the partially non-recourse notes of

ATS (a true and complete copy of which has been delivered to the Administrative Agent), in the aggregate principal amount of \$12,000,000, issued or to be issued by the ATS in connection with the merger of Intracoastal Broadcasting, Inc., a Delaware corporation, into ATS (Delaware).

"Investment" shall mean any investment or loan by the Borrower or any

Restricted Subsidiary in or to any Person which Person, (a) after giving to such investment or loan, is not consolidated with the Borrower and the Restricted Subsidiaries in accordance with GAAP, or (b) is designated as an Unrestricted Subsidiary in accordance with the terms hereof.

"known to the Borrower" or "to the knowledge of the Borrower" shall

mean known by or reasonably should have been known by the executive officers of the Borrower (which shall include, without limitation, the chief executive officer, the chief operating officer, if any, the chief financial officer, the general counsel and any vice president of the Borrower).

"Lenders" shall mean the Persons whose names appear as "Lenders" on

the signature pages hereof and any other Person which becomes a "Lender" hereunder after the Agreement Date; and "Lender" shall mean any one of the foregoing Lenders.

"LIBOR" shall mean, for any Interest Period, the average of the

interest rates per annum at which deposits in United States Dollars for such Interest Period are offered to the Administrative Agent in the Eurodollar market at approximately 11:00 a.m. (London, England time) two (2) Business Days before the first day of such Interest Period, in an amount approximately equal to the principal amount of, and for a length of time approximately equal to the Interest Period for, the LIBOR Advance sought by the Borrower.

"LIBOR Advance" shall mean an Advance which the Borrower requests to

be made as a LIBOR Advance or which is reborrowed as a LIBOR Advance, in accordance with the provisions of Section 2.2 hereof, and which shall be in a principal amount of at least \$5,000,000 and in an integral multiple of \$1,000,000.

"LIBOR Basis" shall mean a simple per annum interest rate (rounded

upward, if necessary, to the nearest one-hundredth (1/100th) of one percent (1%)) equal to the sum of (a) the quotient of (i) the LIBOR, divided by (ii) one minus the Eurodollar Reserve Percentage, if any, stated as a decimal, plus (b) -----
three and one-half percent (3.50%). The LIBOR Basis shall apply to Interest Periods of one (1), two (2), three (3), or six (6) months, and, once determined, shall remain unchanged during the applicable Interest Period, except for changes to reflect adjustments in the Eurodollar Reserve Percentage. The LIBOR Basis

for any LIBOR Advance shall be adjusted as of the effective date of any change in the Eurodollar Reserve Percentage.

"Licenses" shall mean any telephone, microwave, radio transmissions,

personal communications or other license, authorization, certificate of compliance, franchise, approval or permit, whether for the construction, the ownership or the operation of any communications tower facilities, granted or issued by the FCC and held by the Borrower or any of its Restricted Subsidiaries, all of which as of the Agreement Date are listed on Schedule 1

attached hereto.

"Lien" shall mean, with respect to any property, any mortgage, lien,

pledge, negative pledge or other agreement not to pledge, assignment, charge, security interest, title retention agreement, levy, execution, seizure, attachment, garnishment or other encumbrance of any kind in respect of such property, whether created by statute, contract, the common law or otherwise, and whether or not choate, vested or perfected.

"Loan Documents" shall mean this Agreement, the Notes, the Pledge

Agreement, the Security Agreement, the Subsidiary Security Agreements, the Subsidiary Guaranties, the Subsidiary Pledge Agreements, the Assignment of General Partner Interests, the Assignment of Limited Partner Interests, the Intercreditor Agreement, the Subordination Agreement, all fee letters, all Requests for Advance, all Interest Hedge Agreements between the Borrower, on the one hand, and the Administrative Agent and the Lenders, or any of them, on the other hand, and all other documents and agreements executed or delivered by the Borrower or its Restricted Subsidiaries in connection with or contemplated by this Agreement; provided, however, that the Loan Documents shall exclude, except

as otherwise specifically provided herein, the "Loan Documents" under the ATS Facility A Loan Agreement and the ATS Facility B Loan Agreement.

"Loan-Purchase Agreement" shall mean any agreement or related

agreements between the Borrower or any Restricted Subsidiary and any other Person pursuant to the terms of which (a) the Borrower or such Restricted Subsidiary has made a loan to such Person permitted by Section 7.6(d) hereof and (b) the Borrower or such Restricted Subsidiary shall agree to acquire all or substantially all of the assets of such Person within the twelve (12) calendar month period immediately following the date of such agreement.

"Loans" shall mean, collectively, the amounts advanced by the Lenders

to the Borrower under the Commitment, not to exceed the Commitment, and evidenced by the Notes.

"Majority Lenders" shall mean Lenders the total of whose Loans

outstanding equals or exceeds sixty percent (60%) of the total principal amount of the Loans then outstanding of all Lenders entitled to vote hereunder.

"Materially Adverse Effect" shall mean (a) any material adverse effect

upon the business, assets, business prospects, liabilities, financial condition, results of operations or properties of the Borrower and its Restricted Subsidiaries, as a whole, or (b) a material adverse effect upon the binding nature, validity, or enforceability of this Agreement and the Notes, or upon the ability of the Borrower and its Restricted Subsidiaries to perform the payment obligations or other material obligations under this Agreement or any other Loan Document, or upon the value of the Collateral or upon the rights, benefits or interests of the Lenders in and to the Loans or the rights of the Administrative Agent and the Lenders in the Collateral; in either case, whether resulting from any single act, omission, situation, status, event or undertaking, or taken together with other such acts, omissions, situations, statuses, events or undertakings.

"Maturity Date" shall mean December 16, 2006, or, as the case may be,

such earlier date as payment of the Obligations shall be due (whether by acceleration, reduction of the Commitment to zero or otherwise).

"Multiemployer Plan" shall mean a multiemployer pension plan as

defined in Section 3(37) of ERISA to which the Borrower, any of its Subsidiaries or any ERISA Affiliate is or has been required to contribute.

"Necessary Authorizations" shall mean all approvals and licenses from,

and all filings and registrations with, any governmental or other regulatory authority, including, without limiting the foregoing, the Licenses and all approvals, licenses, filings and registrations under the Communications Act, necessary in order to enable the Borrower and its Restricted Subsidiaries to own, construct, maintain, and operate communications tower facilities and to invest in other Persons who own, construct, maintain, manage and operate communications tower facilities.

"Net Income" shall mean, for the Borrower and its Restricted

Subsidiaries on a consolidated basis, for any period, net income determined in accordance with GAAP.

"New Towers" shall mean any communications tower constructed by the

Borrower or any of its Restricted Subsidiaries after (or not yet completed as of) the Agreement Date. For purposes of this definition, a communications tower shall be deemed "completed" as of the date one bona fide customer uses communications equipment installed on such tower and

shall not be considered a "New Tower" after the end of the twelfth (12/th/) calendar month following the month of completion.

"New Tower Operation Business" shall mean the operation by the

Borrower and its Restricted Subsidiaries of New Towers.

"Non-U.S. Bank" shall have the meaning ascribed to such term in

Section 2.5(a) hereof.

"Notes" shall mean, collectively, those certain promissory notes in

the aggregate original principal amount of \$150,000,000, and issued to each of the Lenders by the Borrower, each one substantially in the form of Exhibit B

attached hereto, any other promissory note issued by the Borrower to evidence the Loans pursuant to this Agreement, and any extensions, renewals, or amendments to, or replacements of, the foregoing.

"Obligations" shall mean all payment and performance obligations of

every kind, nature and description of the Borrower, its Restricted Subsidiaries, and any other obligors to the Lenders, or the Administrative Agent, or any of them, under this Agreement and the other Loan Documents (including any interest, fees and other charges on the Loans or otherwise under the Loan Documents that would accrue but for the filing of a bankruptcy action with respect to the Borrower, whether or not such claim is allowed in such bankruptcy action), as they may be amended from time to time, or as a result of making the Loans, whether such obligations are direct or indirect, absolute or contingent, due or not due, contractual or tortious, liquidated or unliquidated, arising by operation of law or otherwise, now existing or hereafter arising.

"Operating Cash Flow (New Towers)" shall mean, with respect to the

Borrower and its Restricted Subsidiaries on a consolidated basis as of the end of any period, (a) the sum of (i) operating revenues of the Borrower and its Restricted Subsidiaries in connection with the New Tower Operation Business of the Borrower and its Restricted Subsidiaries, plus (ii) Unrestricted Subsidiary

Distributions with respect to businesses of such Persons of the same type as the New Tower Operation Business during such period, minus (b) operating expenses

attributable to such New Tower Operation Business for such period. In the case of determining Operating Cash Flow (New Towers) under Section 7.8 hereof following an Acquisition of a New Tower Operation Business permitted hereunder, Operating Cash Flow (New Towers) shall include the Acquisition Operating Cash Flow. For purposes of calculating Operating Cash Flow (New Towers) in connection with any Advance for an Acquisition of a New Tower Operation Business, Operating Cash Flow (New Towers) as of the last day of the immediately preceding calendar month end shall include "operating cash flow (new towers)" for the Acquisition of a New Tower Operation Business for the same

period after giving effect to adjustments reasonably satisfactory to the Administrative Agent. For purposes of this definition, Operating Cash Flow (New Towers) shall include the foregoing items (each calculated in a manner substantially similar to the financial statements required to be delivered pursuant to Sections 6.1 and 6.2 hereof and otherwise in all respects reasonably satisfactory to the Administrative Agent) with respect to any Person with whom the Borrower has entered into a Loan-Purchase Agreement; provided, however, that

with respect to any such Person such items shall not be included for any period exceeding twelve (12) calendar months unless such Person becomes a Restricted Subsidiary of the Borrower.

"Operating Cash Flow (Towers)" shall mean, with respect to the

Borrower and its Restricted Subsidiaries on a consolidated basis as of the end of any period, (a) the sum of (i) operating revenues of the Borrower and its Restricted Subsidiaries in connection with the Tower Operation Business of the Borrower and its Restricted Subsidiaries, plus (ii) Unrestricted Subsidiary

Distributions with respect to businesses of such Persons of the same type as the Tower Operation Business during such period, minus (b) operating expenses

attributable to such Tower Operation Business for such period. In the case of determining Operating Cash Flow (Towers) under Section 7.8 hereof following an Acquisition of a Tower Operation Business permitted hereunder, Operating Cash Flow (Towers) shall include the Acquisition Operating Cash Flow. For purposes of calculating Operating Cash Flow (Towers) in connection with any Advance for an Acquisition of a Tower Operation Business, Operating Cash Flow (Towers) as of the last day of the immediately preceding calendar month end shall include "operating cash flow (towers)" for the Acquisition of a Tower Operation Business for the same period after giving effect to adjustments reasonably satisfactory to the Administrative Agent. For purposes of this definition, Operating Cash Flow (Towers) shall include the foregoing items (each calculated in a manner substantially similar to the financial statements required to be delivered pursuant to Sections 6.1 and 6.2 hereof and otherwise in all respects reasonably satisfactory to the Administrative Agent) with respect to any Person with whom the Borrower has entered into a Loan-Purchase Agreement; provided,

however, that with respect to any such Person such items shall not be included

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for any period exceeding twelve (12) calendar months unless such Person becomes a Restricted Subsidiary of the Borrower.

"Operating Cash Flow (Other Business)" shall mean, with respect to the

Borrower and its Restricted Subsidiaries on a consolidated basis as of the end of any period, (a) the sum of (i) operating revenues of the Borrower and its Restricted Subsidiaries in connection with the Other Operations of the Borrower and its Restricted Subsidiaries, plus (ii) Unrestricted Subsidiary Distributions

with respect to businesses of such Persons of the same type as the Other Operations during such period, minus (b) operating expenses attributable to such

Other Operations for such period. In the case of determining Operating Cash Flow (Other Business) under Section 7.8 hereof following an Acquisition of Other Operations permitted

hereunder, Operating Cash Flow (Other Business) shall include the Acquisition Operating Cash Flow (Other Business). For purposes of calculating Operating Cash Flow (Other Business) in connection with any Advance for an Acquisition of Other Operations, Operating Cash Flow (Other Business) as of the last day of the immediately preceding calendar month end shall include "operating cash flow (other business)" for the Acquisition of Other Operations for the same period after giving effect to adjustments reasonably satisfactory to the Administrative Agent.

"Other Operations" shall mean all businesses of the Borrower (other

than the Tower Operations Business and the New Tower Operation Business), including, without limitation, the video, voice and data transmission business and the site acquisition business.

"Payment Date" shall mean the last day of any Interest Period.

"PBGC" shall mean the Pension Benefit Guaranty Corporation, or any

successor thereto.

"Permitted Liens" shall mean, as applied to any Person:

(a) any Lien in favor of the Administrative Agent or the Collateral Agent (as defined in the ATS Facility A Loan Agreement) given to secure the Obligations, the "Obligations" under the ATS Facility A Loan Agreement, and the "Obligations" under the ATS Facility B Loan Agreement;

(b) (i) Liens on real estate or other property for taxes, assessments, governmental charges or levies not yet delinquent and (ii) Liens for taxes, assessments, judgments, governmental charges or levies or claims the non-payment of which is being diligently contested in good faith by appropriate proceedings and for which adequate reserves have been set aside on such Person's books, but only so long as no foreclosure, distraint, sale or similar proceedings have been commenced with respect thereto;

(c) Liens of carriers, warehousemen, mechanics, vendors, (solely to the extent arising by operation of law) laborers and materialmen incurred in the ordinary course of business for sums not yet due or being diligently contested in good faith, if reserves or appropriate provisions shall have been made therefor;

(d) Liens incurred in the ordinary course of business in connection with worker's compensation and unemployment insurance, social security obligations, assessments or government charges which are not overdue for more than sixty (60) days;

(e) restrictions on the transfer of the Licenses or assets of the Borrower or its Restricted Subsidiaries imposed by any of the Licenses as presently in effect or by the Communications Act and any regulations thereunder;

(f) easements, rights-of-way, zoning restrictions, licenses, reservations or restrictions on use and other similar encumbrances on the use of real property which do not materially interfere with the ordinary conduct of the business of such Person or the use of such property;

(g) Liens arising by operation of law in favor of purchasers in connection with any asset sale permitted hereunder; provided, however, that such

Lien only encumbers the property being sold.

(h) Liens reflected by Uniform Commercial Code financing statements filed in respect of Capitalized Lease Obligations permitted pursuant to Section 7.1 hereof and true leases of any Restricted Subsidiary;

(i) Liens to secure performance of statutory obligations, surety or appeal bonds, performance bonds, bids or tenders;

(j) judgment Liens which do not result in an Event of Default under Section 8.1 (h) hereof;

(k) Liens in connection with escrow deposits made in connection with Acquisitions permitted hereunder;

(l) additional Liens on assets of Restricted Subsidiaries securing Indebtedness which does not in the aggregate outstanding at any time exceed \$500,000; and

(m) Liens of nature contemplated by the penultimate sentence of Section 5.12 hereof.

"Person" shall mean an individual, corporation, limited liability

company, association, partnership, joint venture, trust or estate, an unincorporated organization, a government or any agency or political subdivision thereof, or any other entity.

"Plan" shall mean an employee benefit plan within the meaning of

Section 3(3) of ERISA or any other employee benefit plan maintained for employees of any Person or any affiliate of such Person.

"Pledge Agreement" shall mean that certain Pledge Agreement dated as

of even date herewith between the Borrower and the Administrative Agent,
substantially in the form of Exhibit C attached hereto, pursuant to which the

Borrower has pledged to the Administrative Agent for the ratable benefit of the
Lenders all of the Borrower's stock ownership and/or any partnership interests
in each of its directly owned Subsidiaries.

"Principal Shareholders" shall mean (a) Steven B. Dodge, (b) the legal

heirs of Steven B. Dodge, (c) Thomas H. Stoner, (d) the legal heirs of Thomas H.
Stoner, and (e) any Person the securities of which would be deemed to be
beneficially owned by any of the foregoing pursuant to the provisions of Rule
13(d)(3) under the Exchange Act.

"Prior Loan Agreement" shall mean that certain Amended and Restated

Loan Agreement dated as of October 15, 1997 by and among American Tower Systems,
Inc., as Borrower, the financial institutions parties hereto, as Banks, and
Toronto Dominion (Texas), Inc., as Administrative Agent, as amended by that
certain First Amendment to Amended and Restated Loan Agreement dated as of
December 31, 1997, that certain Assumption Agreement, dated as of January 21,
1998, that certain Second Amendment to Amended and Restated Loan Agreement dated
as of March 27, 1997, and that certain Third Amendment to Amended and Restated
Loan Agreement dated as of May 11, 1998.

"Projections" shall have the meaning ascribed thereto in Section

4.1(r) hereof.

"Register" shall have the meaning ascribed to such term in Section

11.5(h) hereof.

"Registered Noteholder" shall mean each Non-U.S. Bank that requests or

holds a Registered Note pursuant to Section 2.5(a) hereof or registers its Loans
pursuant to Section 11.5(h) hereof.

"Registered Notes" shall mean those certain Notes that have been

issued in registered form in accordance with Sections 2.5(a) and 11.5(h) hereof
and each of which bears the following legend: "This is a Registered Note, and
this Registered Note and the Loans evidenced hereby may be assigned or otherwise
transferred in whole or in part only by registration of such assignment or
transfer on the Register and in compliance with all other requirements provided
for in the ATS Facility A Loan Agreement."

"Regulations" shall have the meaning ascribed thereto in Section

4.1(n) hereof.

"Reportable Event" shall mean, with respect to any Employee Pension

Plan, an event described in Section 4043(b) of ERISA.

"Request for Advance" shall mean a certificate designated as a

"Request for Advance," signed by an Authorized Signatory of the Borrower requesting an Advance hereunder, which shall be in substantially the form of Exhibit D attached hereto, and shall, among other things, (i) specify the date

of the Advance, which shall be a Business Day, the amount of the Advance, the type of Advance (Eurodollar or Base Rate), and, with respect to LIBOR Advances, the Interest Period selected by the Borrower, and (ii) state that there shall not exist, on the date of the requested Advance and after giving effect thereto, a Default, as of the date of such Advance and after giving effect thereto.

"Restricted Payment" shall mean any direct or indirect distribution,

dividend or other payment to any Person (other than to the Borrower or any Restricted Subsidiary of the Borrower) on account of any general or limited partnership interest in, or shares of Capital Stock or other securities of, the Borrower or any of its Restricted Subsidiaries (other than dividends payable solely in general or limited partnership interests or stock of such Person and stock splits), including, without limitation, any direct or indirect distribution, dividend or other payment to any Person (other than to the Borrower or any Restricted Subsidiary) on account of any warrants or other rights or options to acquire shares of Capital Stock of the Borrower or any of its Restricted Subsidiaries, it being understood that the payment of fees in connection with the Interim Financing shall not be deemed to be a Restricted Payment.

"Restricted Subsidiary" shall mean any Subsidiary of the Borrower

other than an Unrestricted Subsidiary. The Restricted Subsidiaries as of the Agreement Date are as set forth on Schedule 2 attached hereto.

"Sconnix Note" shall mean the note of Sconnix Broadcasting Company, a

New Hampshire limited partnership (a true and correct copy of which has been delivered to the Administrative Agent), in the principal amount of \$12,000,000, acquired or to be acquired by ATS (Delaware) in connection with the merger of Intracoastal Broadcasting, Inc., a Delaware corporation, into ATS (Delaware).

"Security Agreement" shall mean that certain Security Agreement dated

as of even date herewith, made by the Borrower in favor of the Administrator Agent for the ratable benefit of the Lenders, substantially in the form of Exhibit E attached hereto.

"Security Documents" shall mean the Pledge Agreement, the Subsidiary

Guaranties, all Subsidiary Pledge Agreements, Assignment of General Partner Interests, each Assignment of Limited Partner Interests, the Security Agreement, all Subsidiary Security Agreements, Intercreditor Agreement, Subordination Agreement, any other agreement or instrument providing collateral for the Obligations whether now or hereafter in existence, and any filings, instruments, agreements, and documents related thereto or to this Agreement, and

providing the Administrative Agent, for the benefit of the Lenders, with Collateral for the Obligations.

"Security Interest" shall mean all Liens in favor of the

Administrative Agent, for the benefit of the Lenders, created hereunder or under any of the Security Documents to secure the Obligations.

"Separation Obligations" shall mean the obligations of the Borrower to

reimburse CBS Corporation for certain tax and other obligations relating to the separation of the Borrower from American Radio Systems as set forth on Schedule

3 attached hereto.

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"Subordination Agreement" shall mean, collectively, (a) that certain

Subordination Agreement dated as of even date herewith among ATSC Operating, ATSC LP and the Administrative Agent, and (b) that certain Subordination Agreement dated as of even date herewith among ATSC Holding, ATSC GP and the Administrative Agent.

"Subsidiary" shall mean, as applied to any Person, (a) any corporation

of which more than fifty percent (50%) of the outstanding stock (other than directors' qualifying shares) having ordinary voting power to elect a majority of its board of directors, regardless of the existence at the time of a right of the holders of any class or classes of securities of such corporation to exercise such voting power by reason of the happening of any contingency, or any partnership of which more than fifty percent (50%) of the outstanding partnership interests, is at the time owned directly or indirectly by such Person, or by one or more Subsidiaries of such Person, or by such Person and one or more Subsidiaries of such Person, or (b) any other entity which is directly or indirectly controlled or capable of being controlled by such Person, or by one or more Subsidiaries of such Person, or by such Person and one or more Subsidiaries of such Person.

"Subsidiary Guaranty" shall mean that certain Subsidiary Guaranty

dated as of even date herewith, in favor of the Administrative Agent and the Lenders, given by each Restricted Subsidiary, substantially in the form of Exhibit F attached hereto, and shall include any similar agreements executed

pursuant to Section 5.12 hereof.

"Subsidiary Pledge Agreement" shall mean that certain Subsidiary

Pledge Agreement dated as of even date herewith made by each Restricted Subsidiary having one or more of its own Subsidiaries, on the one hand, in favor of the Administrative Agent, on the other hand, substantially in the form Exhibit G-1 attached hereto, and shall include any similar agreements executed

pursuant to Section 5.12 hereof.

"Subsidiary Security Agreement" shall mean that certain Subsidiary Security

Agreement dated as of even date herewith between each Restricted Subsidiary, on the one hand, and the Administrative Agent, (on behalf of itself and the Lenders), on the other hand, substantially in the form of Exhibit H attached

hereto, and shall include any similar agreements executed pursuant to Section 5.12 hereof.

"Total Debt" shall mean, for the Borrower and the Restricted Subsidiaries

on a consolidated basis as of any date, the sum (without duplication) of (i) the outstanding principal amount of the Loans, (ii) the aggregate amount of Capitalized Lease Obligations and Indebtedness for Money Borrowed (including, without limitation, Indebtedness under the ATS Facility A Loan Agreement and the ATS Facility B Loan Agreement) of such Persons, and (iii) the aggregate amount of all Guarantees of such Persons of Indebtedness for Money Borrowed.

"Total Leverage Ratio" shall mean, as of any date, the ratio of (a) the

Total Debt on such date to (b) Annualized Operating Cash Flow.

"Tower Operation Business" shall mean the ownership, leasing and tower

management businesses of the Borrower and its Restricted Subsidiaries.

"Unrestricted Subsidiary" shall mean any Subsidiary of the Borrower or any

joint venture (which may represent a minority interest) between the Borrower and/or any of its Subsidiaries and any other Person, in each case, which the Borrower has heretofore designated or hereafter designates as an Unrestricted Subsidiary by written notice to the Administrative Agent and the Lenders prior to the formation or acquisition of such Subsidiary or joint venture. Notwithstanding the foregoing, no Restricted Subsidiary may be re-designated as an Unrestricted Subsidiary without the prior consent of the Majority Lenders. The Unrestricted Subsidiaries as of the Agreement Date are as set forth on Schedule 2 attached hereto. All Subsidiaries of any Unrestricted Subsidiary,

now or hereafter existing, shall be Unrestricted Subsidiaries.

"Unrestricted Subsidiary Distributions" shall mean the amount of cash

distributions received during such period by the Borrower and its Restricted Subsidiaries from any Unrestricted Subsidiary (other than in connection with the repayment of intercompany Indebtedness).

"U.S. Person" shall mean a citizen or resident of the United States of

America, a corporation, partnership or other entity created or organized in or under any laws of the United States of America, or any estate or trust that is subject to Federal income taxation regardless of the source of its income.

Each definition of an agreement in this Article 1 shall include such agreement as modified, amended or supplemented from time to time in accordance herewith.

ARTICLE 2 Loans

Section 2.1 The Loans. The Lenders agree, severally, in accordance with

their respective Commitment Ratios and not jointly, upon the terms and subject to the conditions of this Agreement, to lend to the Borrower, on the Agreement Date, an amount not to exceed, in the aggregate, the Commitment. Subject to the terms and conditions hereof and provided there exists no Default or Event of Default hereunder, Advances hereunder may be repaid and reborrowed from time to time to effect a change in the Interest Rate Basis or Interest Periods relating thereto; provided, however, that there shall be no increase in the principal

amount outstanding under the Notes.

Section 2.2 Manner of Borrowing and Disbursement.

(a) Choice of Interest Rate, Etc. Any Advance hereunder shall, at the

option of the Borrower, be made as a Base Rate Advance or a LIBOR Advance; provided, however, that at such time as there shall have occurred and be

continuing a Default hereunder, the Borrower shall not have the right to receive a LIBOR Advance. Any notice given to the Administrative Agent in connection with a requested Advance hereunder shall be given to the Administrative Agent prior to 11:00 a.m. (New York, New York time) in order for such Business Day to count toward the minimum number of Business Days required.

(b) Base Rate Advances.

(i) Advances. The Borrower shall give the Administrative Agent

in the case of Base Rate Advances at least one (1) Business Day's irrevocable prior telephonic notice followed immediately by a Request for Advance; provided, however, that the Borrower's failure to confirm any

telephonic notice with a Request for Advance shall not invalidate any notice so given if acted upon by the Administrative Agent. Upon receipt of such notice from the Borrower, the Administrative Agent shall promptly notify each Lender by telephone or telecopy of the contents thereof.

(ii) Repayments and Reborrowings. The Borrower may repay or

prepay a Base Rate Advance without regard to its Payment Date and (A) upon at least one (1) Business Day's irrevocable prior telephonic notice followed by written notice,

reborrow all or a portion of the principal amount thereof as a Base Rate Advance, (B) upon at least three (3) Business Days' irrevocable prior telephonic notice followed by written notice, reborrow all or a portion of the principal thereof as one or more LIBOR Advances, or (C) not reborrow all or any portion of such Base Rate Advance. On the date indicated by the Borrower, such Base Rate Advance shall be so repaid and, as applicable, reborrowed. The failure to give timely notice hereunder with respect to the Payment Date of any Base Rate Advance shall be considered a request for a Base Rate Advance.

(c) LIBOR Advances.

(i) Advances. Upon request, the Administrative Agent, whose

determination in absence of manifest error shall be conclusive, shall determine the available LIBOR Bases and shall notify the Borrower of such LIBOR Bases to apply for the applicable LIBOR Advance. The Borrower shall give the Administrative Agent in the case of LIBOR Advances at least three (3) Business Days' irrevocable prior telephonic notice followed immediately by a Request for Advance; provided, however, that the Borrower's failure to

confirm any telephonic notice with a Request for Advance shall not invalidate any notice so given if acted upon by the Administrative Agent. Upon receipt of such notice from the Borrower, the Administrative Agent shall promptly notify each Lender by telephone or telecopy of the contents thereof.

(ii) Repayments and Reborrowings. At least three (3) Business

Days prior to the Payment Date for each LIBOR Advance, the Borrower shall give the Administrative Agent telephonic notice followed by written notice specifying whether all or a portion of such LIBOR Advance (A) is to be repaid and then reborrowed in whole or in part as one or more LIBOR Advances, (B) is to be repaid and then reborrowed in whole or in part as a Base Rate Advance, or (C) is to be repaid and not reborrowed. The failure to give such notice shall preclude the Borrower from reborrowing such Advance as a LIBOR Advance on its Payment Date and shall be considered a request for a Base Rate Advance. Upon such Payment Date such LIBOR Advance will, subject to the provisions hereof, be so repaid and, as applicable, reborrowed.

(d) Notification of Lenders. Upon receipt of a Request for Advance,

or a notice from the Borrower with respect to any outstanding Advance prior to the Payment Date for such Advance, the Administrative Agent shall promptly but no later than the close of business on the day of such notice notify each Lender by telephone or telecopy of the contents thereof and the amount of such Lender's portion of the Advance. Each Lender shall,

not later than 12:00 noon (New York, New York time) on the date of borrowing specified in such notice, make available to the Administrative Agent at the Administrative Agent's Office, or at such account as the Administrative Agent shall designate, the amount of its portion of any Advance that represents an additional borrowing hereunder in immediately available funds.

(e) Disbursement.

(i) Prior to 2:00 p.m. (New York, New York time) on the date of an Advance hereunder, the Administrative Agent shall, subject to the satisfaction of the conditions set forth in Article 3 hereof, disburse the amounts made available to the Administrative Agent by the Lenders in like funds by (A) transferring the amounts so made available by wire transfer pursuant to the Borrower's instructions, or (B) in the absence of such instructions, crediting the amounts so made available to the account of the Borrower maintained with the Administrative Agent.

(ii) Unless the Administrative Agent shall have received notice from a Lender prior to 12:00 noon (New York, New York time) on the date of any Advance that such Lender will not make available to the Administrative Agent such Lender's ratable portion of such Advance, the Administrative Agent may assume that such Lender has made or will make such portion available to the Administrative Agent on the date of such Advance and the Administrative Agent may in its sole discretion and in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If and to the extent the Lender does not make such ratable portion available to the Administrative Agent, such Lender agrees to repay to the Administrative Agent on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to the Borrower until the date such amount is repaid to the Administrative Agent, at the Federal Funds Rate.

(iii) If such Lender shall repay to the Administrative Agent such corresponding amount, such amount so repaid shall constitute such Lender's portion of the applicable Advance for purposes of this Agreement. If such Lender does not repay such corresponding amount immediately upon the Administrative Agent's demand therefor, the Administrative Agent shall notify the Borrower and the Borrower shall immediately pay such corresponding amount to the Administrative Agent, with interest at the Federal Funds Rate. The failure of any Lender to fund its portion of any Advance shall not relieve any other Lender of its obligation, if any, hereunder to fund its respective portion of the Advance on the date of such borrowing, but no Lender shall be responsible for any such failure of any other Lender.

(iv) In the event that, at any time when the Borrower is not in Default and has otherwise satisfied each of the conditions in Section 3.2 hereof, a Lender for any reason fails or refuses to fund its portion of an Advance and such failure shall continue for a period in excess of thirty (30) days, then, until such time as such Lender has funded its portion of such Advance (which late funding shall not absolve such Lender from any liability it may have to the Borrower), or all other Lenders have received payment in full from the Borrower (whether by repayment or prepayment) or otherwise of the principal and interest due in respect of such Advance, such non-funding Lender shall not have the right (A) to vote regarding any issue on which voting is required or advisable under this Agreement or any other Loan Document, and such Lender's portion of the Loans shall not be counted as outstanding for purposes of determining "Majority Lenders" hereunder, and (B) to receive payments of principal, interest or fees from the Borrower, the Administrative Agent or the other Lenders in respect of its portion of the Loans until all Loans of the other Lenders have been paid in full.

Section 2.3 Interest.

(a) On Base Rate Advances. Interest on each Base Rate Advance shall

be computed on the basis of a year of 365/366 days for the actual number of days elapsed and shall be payable at the Base Rate Basis for such Advance, in arrears on the applicable Payment Date. Interest on Base Rate Advances then outstanding shall also be due and payable on the Maturity Date.

(b) On LIBOR Advances. Interest on each LIBOR Advance shall be

computed on the basis of a 360-day year for the actual number of days elapsed and shall be payable at the LIBOR Basis for such Advance, in arrears on the applicable Payment Date, and, in addition, if the Interest Period for a LIBOR Advance exceeds three (3) months, interest on such LIBOR Advance shall also be due and payable in arrears on every three-month anniversary of the beginning of such Interest Period. Interest on LIBOR Advances then outstanding shall also be due and payable on the Maturity Date.

(c) Interest if no Notice of Selection of Interest Rate Basis. If the

Borrower fails to give the Administrative Agent timely notice of its selection of a LIBOR Basis, or if for any reason a determination of a LIBOR Basis for any Advance is not timely concluded, the Base Rate Basis shall apply to such Advance.

(d) Interest Upon Default. Immediately upon the occurrence of an

Event of Default hereunder, the outstanding principal balance of the Loans shall bear interest at the

Default Rate. Such interest shall be payable on demand by the Majority Lenders and shall accrue until the earlier of (i) waiver or cure of the applicable Event of Default, (ii) agreement by the Majority Lenders (or, if applicable to the underlying Event of Default, the Lenders) to rescind the charging of interest at the Default Rate, or (iii) payment in full of the Obligations.

(e) LIBOR Contracts. At no time may the number of outstanding LIBOR Advances exceed six (6).

Section 2.4 Prepayments and Repayments

(a) Scheduled Repayments. Commencing on June 30, 2001 and at the end of each September 30th, December 31st, March 31st and June 30th thereafter, the principal balance of the Loans outstanding on June 29, 2001 shall be amortized in quarterly installments equal to the percentages set forth below for each such date:

Repayment Dates	Repayment Percentage Based on Principal Amount Outstanding on June 29, 2001
June 30, 2001 through June 30, 2006	0.250%
September 30, 2006 and December 12, 2006	47.375%

Any remaining unpaid principal and interest under the Commitment shall be due and payable in full on the Maturity Date.

(b) Prepayment. The principal amount of the Loans may, with the consent of the "Required Lenders" as defined under each of the ATS Facility A Loan Agreement and the ATS Facility B Loan Agreement, be prepaid in full or ratably in part; provided, however, that no such consent shall be required with respect to any repayment that does not reduce the principal amount of the Loans then outstanding. Any prepayment of a Base Rate Advance permitted hereunder may be made without penalty and without regard to the Payment Date for such Advance. To the extent otherwise permitted hereunder, LIBOR Advances may be prepaid prior to the applicable Payment Date, upon three (3) Business Days' prior written notice to the Administrative Agent; provided, however, that the Borrower shall reimburse the Lenders and the Administrative Agent, on demand by the applicable Lender or the Administrative Agent, for any loss or reasonable out-of-pocket expense incurred by any Lender or the Administrative Agent in connection with such prepayment, as set forth in Section 2.7 hereof. Any prepayment hereunder shall be in amounts of not less than

\$5,000,000 and in integral multiples of \$1,000,000, and shall be applied to the Loans then outstanding in inverse order of maturity.

Section 2.5 Notes; Loan Accounts.

(a) The Loans shall be repayable in accordance with the terms and provisions set forth herein and shall be evidenced by the Notes. One (1) Note shall be payable to the order of each Lender, in accordance with such Lender's respective Commitment Ratio. The Notes shall be issued by the Borrower to the Lenders and shall be duly executed and delivered by one or more Authorized Signatories. Any Lender (i) which is not a U.S. Person (a "Non-U.S. Bank") and

(ii) which could become completely exempt from withholding of United States Federal income taxes in respect of payment of any obligations due to such Lender hereunder relating to any of its Loans if such Loans were in registered form for United States Federal income tax purposes may request the Borrower (through the Administrative Agent), and the Borrower agrees thereupon, to register such Loans as provided in Section 11.5(h) hereof and to issue to such Lender Notes evidencing such Loans as Registered Notes or to exchange Notes evidencing such Loans for new Registered Notes, as applicable. Registered Notes may not be exchanged for Notes that are not in registered form.

(b) Each Lender may open and maintain on its books in the name of the Borrower a loan account with respect to its portion of the Loans and interest thereon. Each Lender which opens such a loan account shall debit such loan account for the principal amount of its portion of each Advance made by it and accrued interest thereon, and shall credit such loan account for each payment on account of principal of or interest on its Loans. The records of a Lender with respect to the loan account maintained by it shall be prima facie evidence of its portion of the Loans and accrued interest thereon absent manifest error, but the failure of any Lender to make any such notations or any error or mistake in such notations shall not affect the Borrower's repayment obligations with respect to such Loans.

Section 2.6 Manner of Payment.

(a) Each payment (including, without limitation, any prepayment) by the Borrower on account of the principal of or interest on the Loans, commitment fees and any other amount owed to the Lenders or the Administrative Agent or any of them under this Agreement or the Notes shall be made not later than 1:00 p.m. (New York, New York time) on the date specified for payment under this Agreement to the Administrative Agent at the Administrative Agent's Office, for the account of the Lenders or the Administrative Agent, as the case may be, in lawful money of the United States of America in immediately available funds. Any payment received by the Administrative Agent after 1:00 p.m. (New York, New

York time) shall be deemed received on the next Business Day. Receipt by the Administrative Agent of any payment intended for any Lender or Lenders hereunder prior to 1:00 p.m. (New York, New York time) on any Business Day shall be deemed to constitute receipt by such Lender or Lenders on such Business Day. In the case of a payment for the account of a Lender, the Administrative Agent will promptly, but no later than the close of business on the date such payment is deemed received, thereafter distribute the amount so received in like funds to such Lender. If the Administrative Agent shall not have received any payment from the Borrower as and when due, the Administrative Agent will promptly notify the Lenders accordingly. In the event that the Administrative Agent shall fail to make distribution to any Lender as required under this Section 2.6, the Administrative Agent agrees to pay such Lender interest from the date such payment was due until paid at the Federal Funds Rate.

(b) The Borrower agrees to pay principal, interest, fees and all other amounts due hereunder or under the Notes without set-off or counterclaim or any deduction whatsoever.

(c) Prior to the declaration of an Event of Default under Section 8.2 hereof, if some but less than all amounts due from the Borrower are received by the Administrative Agent with respect to the Obligations, the Administrative Agent shall distribute such amounts in the following order of priority, all on a pro rata basis to the Lenders: (i) to the payment on a pro rata basis of any fees or expenses then due and payable to the Administrative Agent or the Lenders, or any of them; (ii) to the payment of interest then due and payable on the Loans; (iii) to the payment of all other amounts not otherwise referred to in this Section 2.6(c) then due and payable to the Administrative Agent or the Lenders, or any of them, hereunder or under the Notes or any other Loan Document; and (iv) to the payment of principal then due and payable on the Loans.

(d) Subject to any contrary provisions in the definition of Interest Period, if any payment under this Agreement or any of the other Loan Documents is specified to be made on a day which is not a Business Day, it shall be made on the next Business Day, and such extension of time shall in such case be included in computing interest and fees, if any, in connection with such payment.

(e) Each Registered Noteholder (or, if such Registered Noteholder is not the beneficial owner thereof, such beneficial owner) shall deliver to the Borrower (with a copy to the Administrative Agent) prior to or at the time it becomes a Registered Noteholder, a Form 1001, 4224 or W-8 (or such successor and related forms as may from time to time be adopted by the relevant taxing authorities of the United States of America), together with an annual certificate stating that such Registered Noteholder or beneficial owner, as the case

may be, is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code and is not otherwise described in Section 881(c)(3) of the Code. Each Registered Noteholder or beneficial owner, as the case may be, shall promptly notify the Borrower (with a copy to the Administrative Agent) if at any time, such Registered Noteholder or beneficial owner, as the case may be, determines that it is no longer in a position to make the certification made in such certificate to the Borrower (or any other form of certification adopted by the relevant taxing authorities of the United States of America for such purposes).

Section 2.7 Reimbursement.

(a) Whenever any Lender shall sustain or incur any losses or reasonable out-of-pocket expenses in connection with (i) failure by the Borrower to borrow any LIBOR Advance after having given notice of its intention to borrow in accordance with Section 2.2 hereof (whether by reason of the Borrower's election not to proceed or the non-fulfillment of any of the conditions set forth in Article 3 hereof), or (ii) prepayment (or failure to prepay after giving notice thereof) of any LIBOR Advance in whole or in part for any reason, the Borrower agrees to pay to such Lender, upon such Lender's demand, an amount sufficient to compensate such Lender for all such losses and out-of-pocket expenses. Such Lender's good faith determination of the amount of such losses or out-of-pocket expenses, as set forth in writing and accompanied by calculations in reasonable detail demonstrating the basis for its demand, shall be presumptively correct absent manifest error.

(b) Losses subject to reimbursement hereunder shall include, without limiting the generality of the foregoing, lost margins, expenses incurred by any Lender or any participant of such Lender permitted hereunder in connection with the re-employment of funds prepaid, paid, repaid, not borrowed, or not paid, as the case may be, and will be payable whether the Maturity Date is changed by virtue of an amendment hereto (unless such amendment expressly waives such payment) or as a result of acceleration of the Loans.

Section 2.8 Pro Rata Treatment.

(a) Advances. Each Advance from the Lenders hereunder, shall be made

pro rata on the basis of the respective Commitment Ratios of the Lenders.

(b) Payments. Each payment and prepayment of principal of the Loans,

and, except as provided in Section 2.2(e) hereof and Article 10 hereof, each payment of interest on the Loans, shall be made to the Lenders pro rata on the basis of their respective unpaid principal amounts outstanding under the Notes immediately prior to such payment or prepayment. If any Lender shall obtain any payment (whether involuntary, through the exercise of any right of set-off, or otherwise) on account of the Loans in excess of its ratable

share of the Loans under its Commitment Ratio, such Lender shall forthwith purchase from the other Lenders such participations in the portion of the Loans made by them as shall be necessary to cause such purchasing Lender to share the excess payment ratably with each of them; provided, however, that if all or any

portion of such excess payment is thereafter recovered from such purchasing Lender, such purchase from each Lender shall be rescinded and such Lender shall repay to the purchasing Lender the purchase price to the extent of such recovery. The Borrower agrees that any Lender so purchasing a participation from another Lender pursuant to this Section 2.8(b) may, to the fullest extent permitted by law, exercise all its rights of payment (including, without limitation, the right of set-off) with respect to such participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation.

Section 2.9 Capital Adequacy. If after the date hereof, the adoption

of any Applicable Law regarding the capital adequacy of banks or bank holding companies, or any change in Applicable Law (whether adopted before or after the Agreement Date) or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by such Lender (or the bank holding company of such Lender) with any directive regarding capital adequacy (whether or not having the force of law) of any such governmental authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on any Lender's capital as a consequence of its obligations hereunder with respect to the Loans and the Commitment to a level below that which it could have achieved but for such adoption, change or compliance (taking into consideration such Lender's policies with respect to capital adequacy immediately before such adoption, change or compliance and assuming that such Lender's (or the bank holding company of such Lender) capital was fully utilized prior to such adoption, change or compliance) by an amount reasonably deemed by such Lender to be material, then, upon demand by such Lender, the Borrower shall promptly pay to such Lender such additional amounts as shall be sufficient to compensate such Lender for such reduced return, together with interest on such amount from the fourth (4th) Business Day after the date of demand or the Maturity Date, as applicable, until payment in full thereof at the Default Rate. A certificate of such Lender setting forth the amount to be paid to such Lender by the Borrower as a result of any event referred to in this paragraph and supporting calculations in reasonable detail shall be presumptively correct absent manifest error.

Section 2.10 Bank Tax Forms. On or prior to the Agreement Date and on or

prior to the first Business Day of each calendar year thereafter, each Lender which is organized in a jurisdiction other than the United States shall provide each of the Administrative Agent and the Borrower (a), if such Lender is a "bank" under Section 881(c)(3)(A) of the Code, with a properly executed originals of Forms 4224 or 1001 (or any successor form) prescribed by the

Internal Revenue Service or other documents satisfactory to the Borrower and the Administrative Agent, and properly executed Internal Revenue Service Forms W-8 or W-9, as the case may be, certifying (i) as to such Lender's status for purposes of determining exemption from United States withholding taxes with respect to all payments to be made to such Lender hereunder and under the Notes or (ii) that all payments to be made to such Lender hereunder and under the Notes are subject to such taxes at a rate reduced to zero by an applicable tax treaty, or (b), if such Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code and intends to claim exemption from U.S. Federal withholding tax under Section 871(h) or 881(c) of the Code with respect to payments of "portfolio interest", a Form W-8, or any subsequent versions thereof or successors thereto (and, if such Lender delivers a Form W-8, a certificate representing that such Lender is not a bank for purposes of Section 881(c) of the Code, is not a ten-percent (10%) shareholder (within the meaning of Section 871(h)(3)(B) of the Code and is not a controlled foreign corporation related to the Borrower (within the meaning of Section 864(d)(4) of the Code)), properly completed and duly executed by such Lender, indicating that such Lender is entitled to receive payments under this Agreement without deduction or withholding of any United States Federal income taxes as permitted by the Code. Each such Lender agrees to provide the Administrative Agent and the Borrower with new forms prescribed by the Internal Revenue Service upon the expiration or obsolescence of any previously delivered form, or after the occurrence of any event requiring a change in the most recent forms delivered by it to the Administrative Agent and the Borrower.

ARTICLE 3 Conditions Precedent

Section 3.1 Conditions Precedent to Effectiveness of this Agreement. The

effectiveness of this Agreement is subject to the prior or contemporaneous fulfillment of each of the following conditions:

(a) The Administrative Agent and the Lenders shall have received each of the following:

(i) this Agreement duly executed;

(ii) the loan certificate of the Borrower dated as of the Agreement Date, in substantially the form attached hereto as Exhibit I,

including a certificate of incumbency with respect to each Authorized Signatory of such Person, together with the following items: (A) a true, complete and correct copy of the Certificate of Incorporation and By-laws of the Borrower as in effect on the Agreement Date, (B) certificates of good standing for the Borrower issued by the Secretary of State or

similar state official for the state of incorporation of the Borrower and for each state in which the Borrower is required to qualify to do business, (C) a true, complete and correct copy of the corporate resolutions of the Borrower authorizing the Borrower to execute, deliver and perform this Agreement and the other Loan Documents, and (D) a true, complete and correct copy of any shareholders' agreements or voting trust agreements in effect with respect to the stock of the Borrower;

(iii) duly executed Notes;

(iv) duly executed Security Documents;

(v) copies of insurance binders or certificates covering the assets of the Borrower and its Restricted Subsidiaries, and otherwise meeting the requirements of Section 5.5 hereof, together with copies of the underlying insurance policies;

(vi) legal opinion of Sullivan & Worcester LLP, counsel to the Borrower; addressed to each Lender and the Administrative Agent and dated as of the Agreement Date;

(vii) duly executed Certificate of Financial Condition for the Borrower and its Restricted Subsidiaries on a consolidated and consolidating basis, given by the chief financial officer of the Borrower;

(viii) copies of the most recent quarterly financial statements of the Borrower and its Restricted Subsidiaries provided to each Lender and each Administrative Agent, certified by the chief financial officer of the Borrower;

(ix) duly executed Intercreditor Agreement; and

(x) all such other documents as the Administrative Agent may reasonably request, certified by an appropriate governmental official or an Authorized Signatory if so requested.

(b) The Administrative Agent and the Lenders shall have received evidence satisfactory to them that all Necessary Authorizations (other than Necessary Authorizations the absence of which could not reasonably be expected to have, individually or in the aggregate, a Materially Adverse Effect) , including all necessary consents to the closing of this Agreement, have been obtained or made, are in full force and effect and are not subject to any pending or, to the knowledge of the Borrower, threatened reversal or cancellation, and

the Administrative Agent and the Lenders shall have received a certificate of an Authorized Signatory so stating.

(c) The Borrower shall certify to the Administrative Agent and the Lenders that each of the representations and warranties in Article 4 hereof are true and correct in all material respects as of the Agreement Date, that no Default or Event of Default then exists or is continuing, and that no material adverse change has occurred in the financial condition, business operations, prospects or properties of the Borrower and its Restricted Subsidiaries, on a consolidated basis, since the most recent fiscal year end and fiscal quarter end, it being understood that the Separation Obligations shall not be deemed to be such a material adverse change.

(d) The Borrower shall have paid to the Administrative Agent for the account of each Lender the facility fees set forth in those letter agreements dated the Agreement Date in favor of each Lender.

(e) The Administrative Agent and the Lenders shall have received evidence satisfactory to them that all conditions precedent to the effectiveness of each of the ATS Facility A Loan Agreement and the ATS Facility B Loan Agreement have been satisfied (other than the provisions comparable to this provision), and that each of the ATS Facility A Loan Agreement and the ATS Facility B Loan Agreement have been duly executed.

(f) The Administrative Agent and the Lenders shall have received, in form and substance satisfactory to them, evidence that the Borrower has received commitments to fund with equity, or has received equity proceeds to pay, one hundred percent (100%) of the tax liabilities that are a part of the Separation Obligations, to the extent such tax liabilities have not been paid.

ARTICLE 4 Representations and Warranties

Section 4.1 Representations and Warranties. The Borrower hereby agrees, -----
represents and warrants, upon the Agreement Date, in favor of the Administrative Agent and each Lender that:

(a) Organization; Ownership; Power; Qualification. The Borrower is a -----
corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. The Borrower has the corporate power and authority to own its properties and to carry on its business as now being and as proposed hereafter to be conducted. Except as set forth on Schedule 4 attached hereto, -----
each Restricted Subsidiary of the Borrower is a

corporation duly organized, validly existing and in good standing under the laws of the state of its incorporation and has the corporate power and authority to own its properties and to carry on its business as now being and as proposed hereafter to be conducted. The Borrower and each of its Restricted Subsidiaries are duly qualified, in good standing and authorized to do business in each jurisdiction in which the character of their respective properties or the nature of their respective businesses requires such qualification or authorization, except where failure to be so qualified, in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

(b) Authorization; Enforceability. The Borrower has the corporate

power and has taken all necessary corporate action to authorize it to borrow hereunder, to execute, deliver and perform this Agreement and each of the other Loan Documents to which it is a party in accordance with their respective terms, and to consummate the transactions contemplated hereby and thereby. This Agreement has been duly executed and delivered by the Borrower and is, and each of the other Loan Documents to which the Borrower is party is, a legal, valid and binding obligation of the Borrower enforceable against the Borrower in accordance with its terms, subject, as to enforcement of remedies, to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity.

(c) Subsidiaries: Authorization; Enforceability. The Restricted

Subsidiaries and the Borrower's direct and indirect ownership thereof as of the Agreement Date are as set forth on Schedule 2 attached hereto, and to the extent

such Restricted Subsidiaries are corporations, the Borrower has, subject to the provisions of the Security Documents, the unrestricted right to vote the issued and outstanding shares of each directly owned Restricted Subsidiary shown thereon and such shares of such Restricted Subsidiaries have been duly authorized and issued and are fully paid and nonassessable. Each Restricted Subsidiary that is a corporation has the corporate power and has taken all necessary corporate action to authorize it to execute, deliver and perform each of the Loan Documents to which it is a party in accordance with their respective terms and to consummate the transactions contemplated by this Agreement and by such Loan Documents. Each of the Loan Documents to which any Restricted Subsidiary is party is a legal, valid and binding obligation of such Restricted Subsidiary enforceable against such Restricted Subsidiary in accordance with its terms, subject, as to enforcement of remedies, to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity. The Borrower's ownership interest in each Restricted Subsidiary represents a direct or indirect controlling interest of such Restricted Subsidiary for purposes

of directing or causing the direction of the management and policies of each Restricted Subsidiary.

(d) Compliance with Other Loan Documents and Contemplated

Transactions. The execution, delivery and performance, in accordance with their

respective terms, by the Borrower of this Agreement and the Notes, and by the Borrower and its Restricted Subsidiaries of each of the other Loan Documents to which they are respectively party, and the consummation of the transactions contemplated hereby and thereby, do not and will not (i) require any consent or approval, governmental or otherwise, not already obtained, (ii) violate any Applicable Law respecting the Borrower or any Restricted Subsidiary, (iii) conflict with, result in a breach of, or constitute a default under the certificate or articles of incorporation or by-laws or partnership agreements, as the case may be, as amended, of the Borrower or of any Restricted Subsidiary, or under any material indenture, agreement, or other instrument, including without limitation the Licenses, to which the Borrower or any Restricted Subsidiary is a party or by which any of them or their respective properties may be bound, or (iv) result in or require the creation or imposition of any Lien upon or with respect to any property now owned or hereafter acquired by the Borrower or any Restricted Subsidiary, except for Permitted Liens.

(e) Business. The Borrower, together with its Subsidiaries, is

engaged in the business of owning, constructing, managing, operating, and investing in communications tower facilities and in the video, voice and data transmission business.

(f) Licenses, etc. The Licenses have been duly issued and are in full

force and effect. The Borrower and its Restricted Subsidiaries are in compliance in all material respects with all of the provisions thereof. The Borrower and its Restricted Subsidiaries have secured all Necessary Authorizations, except for such Necessary Authorizations the failure of which to secure would not reasonably be expected to have, individually or in the aggregate, a Materially Adverse Effect, and all such Necessary Authorizations are in full force and effect. Neither any License nor any Necessary Authorization is the subject of any pending or, to the best of the Borrower's knowledge, threatened revocation which, if determined adversely to the Borrower or any Restricted Subsidiary would reasonably be expected to have, individually or in the aggregate, a Materially Adverse Effect.

(g) Compliance with Law. The Borrower and its Restricted Subsidiaries

are in compliance with all Applicable Law, except where the failure to be in compliance would not individually or in the aggregate have a Material Adverse Effect.

(h) Title to Assets. As of the Agreement Date, the Borrower and its

Restricted Subsidiaries have good, legal and marketable title to, or a valid leasehold interest

in, all of its assets except for such exceptions as would not reasonably be expected to have, individually or in the aggregate, a Materially Adverse Effect. None of the properties or assets of the Borrower or any of its Restricted Subsidiaries is subject to any Liens, except for Permitted Liens and Liens under the Prior Loan Agreement and related documents. Except for financing statements evidencing Permitted Liens, no financing statement under the Uniform Commercial Code as in effect in any jurisdiction and no other filing which names the Borrower or any Restricted Subsidiary as debtor or which covers or purports to cover any of the assets of the Borrower or any Restricted Subsidiary is currently effective and on file in any state or other jurisdiction, other than such financing statements, if any, as to which the obligations secured thereby have been repaid in their entirety, and neither the Borrower nor any Restricted Subsidiary has signed any such financing statement or filing or any security agreement authorizing any secured party thereunder to file any such financing statement or filing other than the Prior Loan Agreement and related documents.

(i) Litigation. As of the Agreement Date, there is no action, suit,

proceeding or investigation pending against, or, to the knowledge of the Borrower, threatened against or in any other manner relating adversely to, the Borrower or any Restricted Subsidiary or any of their respective properties, including, without limitation, the licenses, in any court or before any arbitrator of any kind or before or by any governmental body (including, without limitation, the FCC) except as set forth on Schedule 5 attached hereto (as such

schedule may be updated from time to time). No such action, suit, proceeding or investigation (i) calls into question the validity of this Agreement or any other Loan Document, or (ii) individually or collectively involves the possibility of any judgment or liability not fully covered by insurance which, if determined adversely to the Borrower or any Restricted Subsidiary, would have a Materially Adverse Effect.

(j) Taxes. All federal, state and other tax returns of the Borrower

and each Restricted Subsidiary required by law to be filed have been duly filed and all federal, state and other taxes, including, without limitation, withholding taxes, assessments and other governmental charges or levies required to be paid by the Borrower or any Restricted Subsidiary or imposed upon the Borrower or any Restricted Subsidiary or any of their respective properties, income, profits or assets, which are due and payable, have been paid, except any such taxes (i) (x) the payment of which the Borrower or any Restricted Subsidiary is diligently contesting in good faith by appropriate proceedings, (y) for which adequate reserves have been provided on the books of the Borrower or the Restricted Subsidiary of the Borrower involved, and (z) as to which no Lien other than a Permitted Lien has attached and no foreclosure, distraint, sale or similar proceedings have been commenced, or (ii) which may result from audits not yet conducted. The charges, accruals and reserves on the books of the Borrower and each Restricted Subsidiary in respect of taxes are, in the judgment of the Borrower, adequate.

(k) Financial Statements. The Borrower has furnished or caused to be

furnished to the Administrative Agent and the Lenders as of the Agreement Date, the audited financial statements for the Borrower and its Subsidiaries on a consolidated basis for the fiscal year ended December 31, 1997, and unaudited financial statements for the Borrower and its Restricted Subsidiaries for the fiscal quarter ended March 31, 1998, all of which have been prepared in accordance with GAAP and present fairly in all material respects the financial position of the Borrower and its Restricted Subsidiaries on a consolidated basis, on and as at such dates and the results of operations for the periods then ended (subject, in the case of unaudited financial statements, to normal year-end and audit adjustments). Neither the Borrower nor any Restricted Subsidiary has any material liabilities, contingent or otherwise, other than as disclosed in the financial statements referred to in the preceding sentence or as set forth or referred to in this Agreement.

(l) No Materially Adverse Change. There has occurred no event since

December 31, 1997 which has or which could reasonably be expected to have a Materially Adverse Effect other than the Separation Obligations.

(m) ERISA. The Borrower and each Subsidiary of the Borrower and each

of their respective Plans are in compliance with ERISA and the Code, except to the extent that the failure to so comply could not reasonably be expected to have a Materially Adverse Effect, and neither the Borrower nor any of its ERISA Affiliates, including its Subsidiaries, has incurred any accumulated funding deficiency with respect to any such Plan within the meaning of ERISA or the Code. The Borrower, each of its Subsidiaries, and each other ERISA Affiliate have complied in all material respects with all requirements of ERISA. Neither the Borrower nor any of its Subsidiaries has made any promises of retirement or other benefits to employees, except as set forth in the Plans, in written agreements with such employees, or in the Borrower's employee handbook and memoranda to employees. Neither the Borrower nor any of its ERISA Affiliates, including its Subsidiaries, has incurred any material liability to PBGC in connection with any such Plan. The assets of each such Plan which is subject to Title IV of ERISA are sufficient to provide the benefits under such Plan, the payment of which PBGC would guarantee if such Plan were terminated, and such assets are also sufficient to provide all other "benefit liabilities" (within the meaning of Section 4041 of ERISA) due under the Plan upon termination. No Reportable Event has occurred and is continuing with respect to any such Plan. No such Plan or trust created thereunder, or party in interest (as defined in Section 3(14) of ERISA), or any fiduciary (as defined in Section 3(21) of ERISA), has engaged in a "prohibited transaction" (as such term is defined in Section 406 of ERISA or Section 4975 of the Code) which would subject such Plan or any other Plan of the Borrower or any of its Subsidiaries, any trust created thereunder, or any such party in interest or fiduciary, or any party dealing with any such Plan

or any such trust, to the tax or penalty on "prohibited transactions" imposed by Section 502 of ERISA or Section 4975 of the Code. Neither the Borrower nor any of its ERISA Affiliates, including its Subsidiaries, is or has been obligated to make any payment to a Multiemployer Plan.

(n) Compliance with Regulations T, U and X. Neither the Borrower nor

any Restricted Subsidiary is engaged principally or as one of its important activities in the business of extending credit for the purpose of purchasing or carrying, and neither the Borrower nor any Restricted Subsidiary owns or presently intends to acquire, any "margin security" or "margin stock" as defined in Regulations T, U, and X (12 C.F.R. Parts 220, 221 and 224) (the "Regulations") of the Board of Governors of the Federal Reserve System (herein called "margin stock"). None of the proceeds of the Loans will be used, directly or indirectly, for the purpose of purchasing or carrying any margin stock or for the purpose of reducing or retiring any Indebtedness which was originally incurred to purchase or carry margin stock or for any other purpose which might constitute this transaction a "purpose credit" within the meaning of the Regulations. The Borrower has not taken, caused or authorized to be taken, and will not take any action which might cause this Agreement or the Notes to violate any of the Regulations or any other regulation of the Board of Governors of the Federal Reserve System or to violate the Exchange Act, in each case as now in effect or as the same may hereafter be in effect. If so requested by the Administrative Agent, the Borrower will furnish the Administrative Agent with (i) a statement or statements in conformity with the requirements of Federal Reserve Form U-I referred to in Regulation U of the Board of Governors of the Federal Reserve System and (ii) other documents evidencing its compliance with the margin regulations, reasonably requested by the Administrative Agent. Neither the making of the Loans nor the use of proceeds thereof will violate, or be inconsistent with, the provisions of any of the Regulations.

(o) Investment Company Act. Neither the Borrower nor any Restricted

Subsidiary is required to register under the provisions of the Investment Company Act of 1940, as amended, and neither the entering into or performance by the Borrower and its Restricted Subsidiaries of this Agreement and the Loan Documents nor the issuance of the Notes violates any provision of such Act or requires any consent, approval or authorization of, or registration with, the Securities and Exchange Commission or any other governmental or public body or authority pursuant to any provisions of such Act.

(p) Governmental Regulation. Neither the Borrower nor any Restricted

Subsidiary is required to obtain any consent, approval, authorization, permit or license which has not already been obtained from, or effect any filing or registration which has not already been effected with, any federal, state or local regulatory authority in connection with the execution and delivery of this Agreement or any other Loan Document. Neither the

Borrower nor any Restricted Subsidiary is required to obtain any consent, approval, authorization, permit or license which has not already been obtained from, or effect any filing or registration which has not already been effected with, any federal, state or local regulatory authority in connection with the performance, in accordance with their respective terms, of this Agreement or any other Loan Document, other than filing of appropriate UCC financing statements.

(q) Absence of Default, Etc. The Borrower and each Restricted

Subsidiary are in compliance in all respects with all of the provisions of their respective partnership agreements, Certificates or Articles of Incorporation and By-Laws, as the case may be, and no event has occurred or failed to occur (including, without limitation, any matter which could create a Default hereunder by cross-default) which has not been remedied or waived, the occurrence or non-occurrence of which constitutes, (i) a Default or (ii) a material default by the Borrower or any Restricted Subsidiary under any indenture, agreement or other instrument relating to Indebtedness of the Borrower or any Restricted Subsidiary in the amount of \$1,000,000 or more in the aggregate, any material License, or any judgment, decree or order to which the Borrower or any Restricted Subsidiary is a party or by which the Borrower or any Restricted Subsidiary or any of their respective properties may be bound or affected.

(r) Accuracy and Completeness of Information. All information,

reports, prospectuses and other papers and data relating to the Borrower or any Restricted Subsidiary and furnished by or on behalf of the Borrower or any Restricted Subsidiary to the Administrative Agent or the Lenders, taken as a whole, were, at the time furnished, true, complete and correct in all material respects to the extent necessary to give the Administrative Agent and the Lenders true and accurate knowledge of the subject matter, and all projections, consisting of a statement of operating statistics, an income statement summary, a debt repayment schedule and pro forma compliance calculations (the "Projections") (i) disclose all assumptions made with respect to costs, general

economic conditions, and financial and market conditions formulating the Projections; (ii) are based on reasonable estimates and assumptions; and (iii) reflect, as of the date prepared, and continue to reflect, as of the date hereof, the reasonable estimate of Borrower of the results of operations and other information projected therein for the periods covered thereby.

(s) Agreements with Affiliates. Except for agreements or arrangements

with Affiliates wherein the Borrower or one or more of its Restricted Subsidiaries provides services to or receives services from such Affiliates for fair consideration or which are set forth on Schedule 6 attached hereto, neither the Borrower nor any Restricted Subsidiary has (i) any written agreements or binding arrangements of any kind with any Affiliate or (ii) any management or consulting agreements of any kind with any Affiliate, other than (x) those

between the Borrower and its Restricted Subsidiaries and (y) employment arrangements with executive officers, including stock option grants.

(t) Payment of Wages. The Borrower and each Restricted Subsidiary are

in compliance with the Fair Labor Standards Act, as amended, in all material respects, and to the knowledge of the Borrower and each of its Subsidiaries, such Persons have paid all minimum and overtime wages required by law to be paid to their respective employees.

(u) Priority. The Security Interest is a valid and, upon filing of

appropriate UCC financing statements and/or mortgages with respect to tangible assets of the Borrower, will be a perfected first priority security interest in the Collateral in favor of the Administrative Agent, for the benefit of itself and the Lenders, securing, in accordance with the terms of the Security Documents, the Obligations, and the Collateral is subject to no Liens other than Permitted Liens. The Liens created by the Security Documents are enforceable as security for the Obligations in accordance with their terms with respect to the Collateral subject, as to enforcement of remedies, to the following qualifications: (i) an order of specific performance and an injunction are discretionary remedies and, in particular, may not be available where damages are considered an adequate remedy at law, and (ii) enforcement may be limited by bankruptcy, insolvency, liquidation, reorganization, reconstruction and other similar laws affecting enforcement of creditors' rights generally (insofar as any such law relates to the bankruptcy, insolvency or similar event of the Borrower or any of its Subsidiaries, as the case may be).

(v) Indebtedness. Except as shown on the financial statements of

Borrower for the fiscal quarter ended March 31, 1998, or as described on Schedule 7 attached hereto, neither the Borrower nor any Restricted Subsidiary

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has outstanding, as of the Agreement Date, and after giving effect to the initial Advances hereunder on the Agreement Date, any Indebtedness for Money Borrowed.

(w) Solvency. As of the Agreement Date and after giving effect to the

transactions contemplated by the Loan Documents (i) the property of the Borrower, at a fair valuation, will exceed its debt; (ii) the capital of the Borrower will not be unreasonably small to conduct its business; (iii) the Borrower will not have incurred debts, or have intended to incur debts, beyond its ability to pay such debts as they mature; and (iv) the present fair salable value of the assets of the Borrower will be greater than the amount that will be required to pay its probable liabilities (including debts) as they become absolute and matured. For purposes of this Section, "debt" means any liability

on a claim, and "claim" means (i) the right to payment, whether or not such

right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, undisputed, legal, equitable, secured or unsecured, or (ii) the right to an equitable remedy for breach of performance if such breach gives rise to a

right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, undisputed, secured or unsecured.

(x) Year 2000 Compliance.

(i) The Borrower has (1) begun analyzing the operations of the Borrower and its Subsidiaries that could be adversely affected by failure to become Year 2000 compliant (that is, that computer applications, imbedded microchips and other systems will be able to perform date-sensitive functions prior to and after December 31, 1999) and (2) developed a plan for becoming Year 2000 compliant in a timely manner, the implementation of which is on schedule in all material respects. The Borrower reasonably believes that it will become Year 2000 compliant for its operations and those of its Subsidiaries and Affiliates on a timely basis, except to the extent that a failure to do so could not reasonably be expected to have a Materially Adverse Effect.

(ii) The Borrower reasonably believes any suppliers and vendors that are material to the operations of the Borrower or its Subsidiaries will be Year 2000 compliant for their own computer applications, except to the extent that a failure to do so could not reasonably be expected to have a Materially Adverse Effect.

(iii) The Borrower will promptly notify the Administrative Agent and the Lenders in the event the Borrower determines that any computer application which is material to the operations of the Borrower, its Subsidiaries or any of its material vendors or suppliers will not be fully Year 2000 compliant on a timely basis, except to the extent that such failure could not reasonably be expected to have a Materially Adverse Effect.

Section 4.2 Survival of Representations and Warranties, Etc. All

representations and warranties made under this Agreement and any other Loan Document shall be deemed to be made, and shall be true and correct in all material respects, at and as of the Agreement Date and on the date of each Advance except to the extent relating specifically to the Agreement Date. All representations and warranties made under this Agreement and the other Loan Documents shall survive, and not be waived by, the execution hereof by the Lenders and the Administrative Agent, any investigation or inquiry by any Lender or the Administrative Agent, or the making of any Advance under this Agreement.

ARTICLE 5 General Covenants

So long as any of the Obligations is outstanding and unpaid or the Lenders have an obligation to fund Advances hereunder (whether or not the conditions to borrowing have been or can be fulfilled), and unless the Majority Lenders, or such greater number of Lenders as may be expressly provided herein, shall otherwise consent in writing:

Section 5.1 Preservation of Existence and Similar Matters. Except as

permitted under Section 7.4 hereof, the Borrower will, and will cause each Restricted Subsidiary to:

(a) preserve and maintain its existence, and its material rights, franchises, licenses and privileges in the state of its incorporation, including, without limiting the foregoing, the Licenses and all other Necessary Authorizations, except where the failure to do so could not reasonably be expected to have a Materially Adverse Effect; and

(b) qualify and remain qualified and authorized to do business in each jurisdiction in which the character of its properties or the nature of its business requires such qualification or authorization, except for such failure to so qualify and be so authorized as could not reasonably be expected to have a Material Adverse Effect.

Section 5.2 Business; Compliance with Applicable Law. The Borrower will,

and will cause each Restricted Subsidiary to, (a) engage in the business of owning, constructing, managing, operating and investing in communications tower facilities and related businesses and not engage in any unrelated activities, and (b) comply in all material respects with the requirements of all Applicable Law.

Section 5.3 Maintenance of Properties. The Borrower will, and will cause

each Restricted Subsidiary to, maintain or cause to be maintained in the ordinary course of business in good repair, working order and condition (reasonable wear and tear excepted) all properties used in their respective businesses (whether owned or held under lease), other than obsolete equipment or unused assets and from time to time make or cause to be made all needed and appropriate repairs, renewals, replacements, additions, betterments and improvements thereto.

Section 5.4 Accounting Methods and Financial Records. The Borrower will,

and will cause each Restricted Subsidiary on a consolidated and consolidating basis to, maintain a system of accounting established and administered in accordance with GAAP, keep adequate records and books of account in which complete entries will be made in accordance with GAAP and reflecting all transactions required to be reflected by GAAP, and keep accurate and complete records of their respective properties and assets. The Borrower and its Restricted Subsidiaries will maintain a fiscal year ending on December 31st.

Section 5.5 Insurance. The Borrower will, and will cause each Restricted

Subsidiary to:

(a) Maintain insurance including, but not limited to, business interruption coverage and public liability coverage insurance from responsible companies in such amounts and against such risks to the Borrower and each Restricted Subsidiary as is prudent for similarly situated companies engaged in the communications tower industry.

(b) Keep their respective assets insured by insurers on terms and in a manner reasonably acceptable to the Administrative Agent against loss or damage by fire, theft, burglary, loss in transit, explosions and hazards insured against by extended coverage, in amounts which are prudent for the communications tower management and operation industry and reasonably satisfactory to the Administrative Agent, all premiums thereon to be paid by the Borrower and its Restricted Subsidiaries.

(c) Require that each insurance policy provide for at least thirty (30) days' prior written notice to the Administrative Agent of any termination of or proposed cancellation or nonrenewal of such policy, and name the Administrative Agent as additional named lender loss payee and, as appropriate, additional insured, to the extent of the Obligations.

Section 5.6 Payment of Taxes and Claims. The Borrower will, and will

cause each Restricted Subsidiary to, pay and discharge all taxes, including, without limitation, withholding taxes, assessments and governmental charges or levies required to be paid by them or imposed upon them or their income or profits or upon any properties belonging to them, prior to the date on which penalties attach thereto, and all lawful claims for labor, materials and supplies which, if unpaid, might become a Lien or charge upon any of their properties; provided, however, that no such tax, assessment, charge, levy or

claim need be paid which is being diligently contested in good faith by appropriate proceedings and for which adequate reserves shall have been set aside on the appropriate books, but only so long as such tax, assessment, charge, levy or claim does not become a Lien or charge other than a Permitted Lien and no foreclosure, distraint, sale or similar proceedings shall have been commenced. The Borrower will, and will cause each Restricted Subsidiary to, timely file all information returns required by federal, state or local tax authorities.

(a) The Borrower shall, and shall cause each of its Subsidiaries to, make all contributions to any Employee Pension Plan when such contributions are due and not incur any "accumulated funding deficiency" within the meaning of Section 412(a) of the Code, whether or not waived, and will otherwise comply with the requirements of the Code and ERISA with respect to the operation of all Plans, except to the extent that the failure to so comply could not have a Materially Adverse Effect.

(b) The Borrower shall, and shall cause each of its Subsidiaries to, comply in all respects with the requirements of ERISA with respect to any Plans subject to the requirements thereof, except to the extent that the failure to so comply could not have a Materially Adverse Effect.

(c) The Borrower shall furnish to Administrative Agent (i) within thirty (30) days after any officer of the Borrower obtains knowledge that a "prohibited transaction" (within the meaning of Section 406 of ERISA or Section 4975 of the Code) has occurred with respect to any Plan of the Borrower or its ERISA Affiliates, including its Subsidiaries, that any Reportable Event has occurred with respect to any Employee Pension Plan or that PBGC has instituted or will institute proceedings under Title IV of ERISA to terminate any Employee Pension Plan or to appoint a trustee to administer any Employee Pension Plan, a statement setting forth the details as to such prohibited transaction, Reportable Event or termination or appointment proceedings and the action which it (or any other Employee Pension Plan sponsor if other than the Borrower) proposes to take with respect thereto, together with a copy of the notice of such Reportable Event given to PBGC if a copy of such notice is available to the Borrower, any of its Subsidiaries or any of its ERISA Affiliates, (ii) promptly after receipt thereof, a copy of any notice the Borrower, any of its Subsidiaries or any of its ERISA Affiliates or the sponsor of any Plan receives from PBGC, the Internal Revenue Service or the Department of Labor which sets forth or proposes any action or determination with respect to such Plan, (iii) promptly after the filing thereof, any annual report required to be filed pursuant to ERISA in connection with each Plan maintained by the Borrower or any of its ERISA Affiliates, including the Subsidiaries, and (iv) promptly upon the Administrative Agent's request therefor, such additional information concerning any such Plan as may be reasonably requested by the Administrative Agent.

(d) The Borrower will promptly notify the Administrative Agent of any excise taxes which have been assessed or which the Borrower, any of its Subsidiaries or any of its ERISA Affiliates has reason to believe may be assessed against the Borrower, any of its Subsidiaries or any of its ERISA Affiliates by the Internal Revenue Service or the

Department of Labor with respect to any Plan of the Borrower or its ERISA Affiliates, including its Subsidiaries.

(e) Within the time required for notice to the PBGC under Section 302(f)(4)(A) of ERISA, the Borrower will notify the Administrative Agent of any lien arising under Section 302(f) of ERISA in favor of any Plan of the Borrower or its ERISA Affiliates, including its Subsidiaries.

(f) The Borrower will not, and will not permit any of its Subsidiaries or any of its ERISA Affiliates, to take any of the following actions or permit any of the following events to occur if such action or event together with all other such actions or events would subject the Borrower, any of its Subsidiaries, or any of its ERISA Affiliates to any tax, penalty, or other liabilities which could have a Materially Adverse Effect:

(i) engage in any transaction in connection with which the Borrower, any of its Subsidiaries or any ERISA Affiliate could be subject to either a civil penalty assessed pursuant to Section 502(i) of ERISA or a tax imposed by Section 4975 of the Code;

(ii) terminate any Employee Pension Plan in a manner, or take any other action, which could result in any liability of the Borrower, any of its Subsidiaries or any ERISA Affiliate to the PBGC;

(iii) fail to make full payment when due of all amounts which, under the provisions of any Plan, the Borrower, any of its Subsidiaries or any ERISA Affiliate is required to pay as contributions thereto, or permit to exist any accumulated funding deficiency within the meaning of Section 412(a) of the Code, whether or not waived, with respect to any Employee Pension Plan; or

(iv) permit the present value of all benefit liabilities under all Employee Pension Plans which are subject to Title IV of ERISA to exceed the present value of the assets of such Plans allocable to such benefit liabilities (within the meaning of Section 4041 of ERISA), except as may be permitted under actuarial funding standards adopted in accordance with Section 412 of the Code.

Section 5.8 Visits and Inspections. The Borrower will, and will cause

each Restricted Subsidiary to, permit representatives of the Administrative Agent and any of the Lenders, upon reasonable notice, to (a) visit and inspect the properties of the Borrower or any Restricted Subsidiary during business hours, (b) inspect and make extracts from and copies of their respective books and records, and (c) discuss with their respective principal officers

their respective businesses, assets, liabilities, financial positions, results of operations and business prospects. The Borrower and each Restricted Subsidiary will also permit representatives of the Administrative Agent and any of the Lenders to discuss with their respective accountants the Borrower's and the Restricted Subsidiaries' businesses, assets, liabilities, financial positions, results of operations and business prospects.

Section 5.9 Payment of Indebtedness; Loans. Subject to any provisions

herein or in any other Loan Document, the Borrower will, and will cause each Restricted Subsidiary to, pay any and all of their respective Indebtedness when and as it becomes due, other than amounts diligently disputed in good faith and for which adequate reserves have been set aside in accordance with GAAP.

Section 5.10 Use of Proceeds. The Borrower shall, except as otherwise

provided in paragraph (c) or (d) of this Section 5.10, contribute one-hundred percent (100%) of the aggregate proceeds of the Advance of the Loan as equity to ATS (Delaware) and ATS and shall cause ATS (Delaware) and ATS to use such proceeds, directly or indirectly:

(a) to fund Acquisitions and Investments (including, without limitation, investments in Unrestricted Subsidiaries) permitted by Section 7.6 hereof;

(b) to fund Capital Expenditures;

(c) for working capital needs and other corporate purposes of the Borrower and its Restricted Subsidiaries (including, without limitation, the fees and expenses incurred in connection with the execution and delivery of this Agreement) and other costs associated with transactions contemplated by this Agreement, in each case, which do not otherwise conflict with this Section 5.10, it being understood that the Borrower may use such proceeds, among other things, to fund the Separation Obligations (other than the tax portion of the Separation Obligations); and

(d) for other purposes permitted by the ATS Facility A Loan Agreement or the ATS Facility B Loan Agreement.

No proceeds of the Advance hereunder shall be used for the purchase or carrying or the extension of credit for the purpose of purchasing or carrying, any margin stock within the meaning of the Regulations.

Section 5.11 Indemnity. The Borrower agrees to indemnify and hold

harmless each Lender, the Administrative Agent, and each of their respective affiliates, employees, representatives, shareholders, officers and directors (any of the foregoing shall be an

"Indemnatee") from and against any and all claims, liabilities, losses, damages,

actions, reasonable attorneys' fees and expenses (as such fees and expenses are incurred) and demands by any party, including the costs of investigating and defending such claims, whether or not the Borrower, any Restricted Subsidiary or the Person seeking indemnification is the prevailing party (a) resulting from any breach or alleged breach by the Borrower or any Restricted Subsidiary of any representation or warranty made hereunder or under any Loan Document; or (b) otherwise arising out of (i) the Commitment or otherwise under this Agreement, any Loan Document or any transaction contemplated hereby or thereby, including, without limitation, the use of the proceeds of Loans hereunder in any fashion by the Borrower or the performance of their respective obligations under the Loan Documents by the Borrower or any Restricted Subsidiary, (ii) allegations of any participation by the Lenders, the Administrative Agent, or any of them, in the affairs of the Borrower or any of its Subsidiaries, or allegations that any of them has any joint liability with the Borrower or any Restricted Subsidiary for any reason, (iii) any claims against the Lenders, the Administrative Agent, or any of them, by any shareholder or other investor in or lender to the Borrower or any Restricted Subsidiary, by any brokers or finders or investment advisers or investment bankers retained by the Borrower or by any other third party, arising out of the Commitment or otherwise under this Agreement; or (c) in connection with taxes (not including federal or state income or franchise taxes or other taxes based solely upon the revenues or income of such Persons), fees, and other charges payable in connection with the Loans, or the execution, delivery, and enforcement of this Agreement, the Security Documents, the other Loan Documents, and any amendments thereto or waivers of any of the provisions thereof, unless the Person seeking indemnification hereunder is determined in such case to have acted with gross negligence or willful misconduct, in any case, by a final, non-appealable judicial order. The obligations of the Borrower under this Section 5.11 are in addition to, and shall not otherwise limit, any liabilities which the Borrower might otherwise have in connection with any warranties or similar obligations of the Borrower in any other Loan Document.

Section 5.12 Covenants Regarding Formation of Restricted Subsidiaries and

Acquisitions; Partnership, Subsidiaries. At the time of (i) any Acquisition

permitted hereunder, (ii) the purchase by the Borrower or any Restricted Subsidiary of any interests in any Restricted or Unrestricted Subsidiary of the Borrower, or (iii) the formation of any new Restricted or Unrestricted Subsidiary of the Borrower or any Restricted Subsidiary which is permitted under this Agreement, the Borrower will, and will cause its Restricted Subsidiaries, as appropriate, to (a) provide to the Administrative Agent an executed Subsidiary Security Agreement for any new Restricted Subsidiary, in substantially the form of Exhibit H attached hereto, together with appropriate

UCC-1 financing statements, as well as an executed Subsidiary Guaranty for such new Restricted Subsidiary, in substantially the form of Exhibit F attached

hereto, which shall constitute both Security Documents and Loan Documents for

purposes of this Agreement, as well as a loan certificate for such new Restricted Subsidiary, substantially in the form of Exhibit J attached hereto,

together with appropriate attachments; (b) pledge to the Administrative Agent all of the stock or partnership interests (or other instruments or securities evidencing ownership) of such Restricted Subsidiary or Unrestricted Subsidiary or Person which is acquired or formed, beneficially owned by the Borrower or any Restricted Subsidiary, as the case may be, as additional Collateral for the Obligations to be held by the Administrative Agent in accordance with the terms of the Borrower's Pledge Agreement, or a new Subsidiary Pledge Agreement in substantially the form of Exhibit G-1 attached hereto, and execute and deliver

to the Administrative Agent all such documentation for such pledge as, in the reasonable opinion of the Administrative Agent, is appropriate; and (c) with respect to any Acquisition or Restricted Subsidiary, provide revised financial projections for the remainder of the fiscal year and for each subsequent year until the Maturity Date which reflect such Acquisition or formation, certified by the chief financial officer of the Borrower, together with a statement by such Person that no Default exists or would be caused by such Acquisition or formation, and all other documentation, including one or more opinions of counsel, reasonably satisfactory to the Administrative Agent which in its reasonable opinion is appropriate with respect to such Acquisition or the formation of such Subsidiary. Notwithstanding the foregoing, the Borrower shall not be required to pledge any of the stock of or other ownership interests for any Unrestricted Subsidiary which (x) was not formed or created in anticipation of the Borrower's direct or indirect investment therein (other than to facilitate a transaction of the nature referred to clause (y) following) and (y) at the time such stock or ownership interest was acquired by the Borrower or its Restricted Subsidiaries is subject to a restriction on any such Lien (whether such restriction is in such Person's formation documents or otherwise), but shall be required to grant the Administrative Agent (for the benefit of the Lenders) a Lien upon any right to receive distributions from such Unrestricted Subsidiary. Any document, agreement or instrument (other than the Projections) executed or issued pursuant to this Section 5.12 shall be a "Loan Document" for purposes of this Agreement and, so long as the Facility A Loan Agreement or the Facility B Loan Agreement is in effect, shall be subject to the terms and conditions of the Intercreditor Agreement.

Section 5.13 Payment of Wages. The Borrower shall, and shall cause each

Restricted Subsidiary to, at all times comply, in all material respects, with the material requirements of the Fair Labor Standards Act, as amended, including, without limitation, the provisions of such Act relating to the payment of minimum and overtime wages as the same may become due from time to time.

Section 5.14 Further Assurances. The Borrower will promptly cure, or

cause to be cured, defects in the creation and issuance of any of the Notes and the execution and delivery of the Loan Documents (including, without limitation, this Agreement), resulting from any

acts or failure to act by the Borrower or any Restricted Subsidiary or any employee or officer thereof. The Borrower at its expense will promptly execute and deliver to the Administrative Agent and the Lenders, or cause to be executed and delivered to the Administrative Agent and the Lenders, all such other and further documents, agreements, and instruments in compliance with or accomplishment of the covenants and agreements of the Borrower in the Loan Documents, including this Agreement, or to correct any omissions in the Loan Documents, or more fully to state the obligations set out herein or in any of the Loan Documents, or to obtain any consents, all as may be necessary or appropriate in connection therewith and as may be reasonably requested.

ARTICLE 6 Information Covenants

So long as any of the Obligations is outstanding and unpaid or the Lenders have an obligation to fund Advances hereunder (whether or not the conditions to borrowing have been or can be fulfilled) and unless the Majority Lenders shall otherwise consent in writing, the Borrower will furnish or cause to be furnished to each Lender and the Administrative Agent, at their respective offices:

Section 6.1 Quarterly Financial Statements and Information Within forty-

five (45) days after the last day of each of the first three (3) quarters of each fiscal year of the Borrower, the balance sheets of the Borrower on a consolidated basis with its Restricted Subsidiaries and a consolidating basis with its Unrestricted Subsidiaries as at the end of such quarter and as of the end of the preceding fiscal year, and the related statements of operations and the related statements of cash flows of the Borrower on a consolidated basis with its Restricted Subsidiaries and a consolidating basis with its Unrestricted Subsidiaries for such quarter and for the elapsed portion of the year ended with the last day of such quarter, which shall set forth in comparative form such figures as at the end of and for such quarter and appropriate prior period and shall be certified by the chief financial officer of the Borrower to have been prepared in accordance with GAAP and to present fairly in all material respects the financial position of the Borrower on a consolidated basis with its Restricted Subsidiaries and a consolidating basis with its Unrestricted Subsidiaries as at the end of such period and the results of operations for such period, and for the elapsed portion of the year ended with the last day of such period, subject only to normal year-end and audit adjustments.

Section 6.2 Annual Financial Statements and Information. Within ninety

(90) days after the end of each fiscal year of the Borrower, the audited consolidated balance sheet of the Borrower and its Restricted Subsidiaries (and unaudited consolidating balance sheet of the Borrower and its Unrestricted Subsidiaries) as of the end of such fiscal year and the related audited consolidated and unaudited consolidating statements of operations for such fiscal year and for the previous fiscal year, the related audited consolidated statements of

cash flow and stockholders' equity for such fiscal year and for the previous fiscal year, which shall be accompanied by an opinion of Deloitte & Touche, LLP, or other independent certified public accountants of recognized national standing reasonably acceptable to the Administrative Agent, which shall be in scope and substance reasonably satisfactory to the Administrative Agent, together with a statement of such accountants that in connection with their audit, nothing came to their attention that caused them to believe that the Borrower was not in compliance with the terms, covenants, provisions or conditions of Section 7.8 hereof insofar as they relate to accounting matters.

Section 6.3 Performance Certificates. At the time the financial

statements are furnished pursuant to Sections 6.1 and 6.2 hereof, a certificate of the president or chief financial officer of the Borrower as to its financial performance, in substantially the form attached hereto as Exhibit K:

(a) setting forth as and at the end of such quarterly period or fiscal year, as the case may be, the arithmetical calculations required to establish whether or not the Borrower was in compliance with the requirements of Section 7.8 hereof;

(b) stating that, to the best of his or her knowledge, no Default has occurred as at the end of such quarterly period or year, as the case may be, or, if a Default has occurred, disclosing each such Default and its nature, when it occurred, whether it is continuing and the steps being taken by the Borrower with respect to such Default;

(c) containing a list of all Acquisitions, Investments, Restricted Payments and dispositions of assets from the Agreement Date through the date of such certificate, together with the total amount for each of the foregoing categories; and

(d) setting forth the amount of distributions received from Unrestricted Subsidiaries for such period.

Section 6.4 Copies of Other Reports.

(a) Promptly upon receipt thereof, copies of all reports, if any, submitted to the Borrower by the Borrower's independent public accountants regarding the Borrower, including, without limitation, any management report prepared in connection with the annual audit referred to in Section 6.2 hereof.

(b) Promptly upon receipt thereof, copies of any material adverse notice or report regarding any License from the FCC.

(c) From time to time and promptly upon each request, such data, certificates, reports, statements, documents or further information regarding the business, assets, liabilities, financial position, projections, results of operations or business prospects of the Borrower or any Restricted Subsidiary, as Administrative Agent or any Lender may reasonably request.

(d) Annually, certificates of insurance indicating that the requirements of Section 5.5 hereof remain satisfied for such fiscal year, together with copies of any new or replacement insurance policies obtained during such year.

(e) Prior to January 31st of each year, the annual budget for the Borrower and its Restricted Subsidiaries, including, without limitation, forecasts of the income statement, the balance sheet and a cash flow statement for such year, on a quarter by quarter basis.

(f) Promptly after the sending thereof, copies of all statements, reports and other information which the Borrower or any Restricted Subsidiary sends to public security holders of the Borrower generally or files with the Securities and Exchange Commission or any national securities exchange.

Section 6.5 Notice of Litigation and Other Matters. Notice specifying the

nature and status of any of the following events, promptly, but in any event not later than fifteen (15) days after the occurrence of any of the following events becomes known to the Borrower:

(a) the commencement of all proceedings and investigations by or before any governmental body and all actions and proceedings in any court or before any arbitrator against the Borrower or any Restricted Subsidiary, or, to the extent known to the Borrower, which could have a Material Adverse Effect;

(b) any material adverse change with respect to the business, assets, liabilities, financial position, results of operations or business prospects of the Borrower and its Restricted Subsidiaries, taken as a whole, other than changes in the ordinary course of business which have not had and would not reasonably be expected to have a Materially Adverse Effect and other than changes in the industry in which Borrower or any of its Restricted Subsidiaries operate which would not reasonably be expected to have a Materially Adverse Effect;

(c) any material adverse amendment or change to the projections or annual budget provided to the Lenders by the Borrower;

(d) any Default or the occurrence or non-occurrence of any event (i) which constitutes, or which with the passage of time or giving of notice or both would constitute, a default by the Borrower or any Restricted Subsidiary under any material agreement other than this Agreement and the other Loan Documents to which the Borrower or any Restricted Subsidiary is party or by which any of their respective properties may be bound, or (ii) which could have a Materially Adverse Effect, giving in each case a description thereof and specifying the action proposed to be taken with respect thereto;

(e) the occurrence of any Reportable Event or a "prohibited transaction" (as such term is defined in Section 406 of ERISA or Section 4975 of the Code) with respect to any Plan of the Borrower or any of its Subsidiaries or the institution or threatened institution by PBGC of proceedings under ERISA to terminate or to partially terminate any such Plan or the commencement or threatened commencement of any litigation regarding any such Plan or naming it or the trustee of any such Plan with respect to such Plan or any action taken by the Borrower, any Subsidiary of the Borrower or any ERISA Affiliate of the Borrower to withdraw or partially withdraw from any Plan or to terminate any Plan; and

(f) the occurrence of any event subsequent to the Agreement Date which, if such event had occurred prior to the Agreement Date, would have constituted an exception to the representation and warranty in Section 4.1(m) hereof.

ARTICLE 7 Negative Covenants

So long as any of the Obligations is outstanding and unpaid or the Lenders have an obligation to fund Advances hereunder (whether or not the conditions to borrowing have been or can be fulfilled) and unless the Majority Lenders, or such greater number of Lenders as may be expressly provided herein, shall otherwise give their prior consent in writing:

Section 7.1 Indebtedness of the Borrower and its Subsidiaries. The

Borrower shall not, and shall not permit any of its Subsidiaries to, create, assume, incur or otherwise become or remain obligated in respect of, or permit to be outstanding, any Indebtedness except:

(a) the Obligations, the "Obligations" under the ATS Facility A Loan Agreement, and the "Obligations" under the ATS Facility B Loan Agreement;

(b) accounts payable, accrued expenses (including taxes) and customer advance payments incurred in the ordinary course of business;

(c) Indebtedness secured by Permitted Liens;

(d) obligations under Interest Hedge Agreements with respect to the Loans;

(e) Indebtedness of any Restricted Subsidiary to the Borrower or any other Restricted Subsidiary; provided, however, that the corresponding debt instruments are pledged to the Administrative Agent as security for the Obligations and such Indebtedness is expressly permitted pursuant to Section 7.5 hereof;

(f) Indebtedness incurred by any Unrestricted Subsidiary; provided, however, that such Indebtedness is non-recourse to the Borrower or any Restricted Subsidiary and no Lien is placed on the Borrower's or any Restricted Subsidiary's equity interests in such Unrestricted Subsidiary;

(g) Capitalized Lease Obligations of any Restricted Subsidiary not to exceed in the aggregate at any one time outstanding \$5,000,000; and

(h) Indebtedness of any Restricted Subsidiary incurred in connection with an Acquisition; provided, however, that (i) such Indebtedness (A) is owed to the seller thereof, (B) is unsecured, (C) has no scheduled payment of principal prior to the full payment of the Obligations, (D) is subject to terms and conditions and subordination provisions which are acceptable to the Majority Lenders on the date of incurrence, (E) when added to all other Indebtedness outstanding under this Section 7.1(h) does not exceed \$25,000,000, and (ii) the Borrower is, at the time of incurrence of such Indebtedness (and after giving effect thereto), in pro forma compliance with all of the covenants contained in this Agreement.

Section 7.2 Limitation on Liens. The Borrower shall not, and shall not permit any Restricted Subsidiary to, create, assume, incur or permit to exist or to be created, assumed, incurred or permitted to exist, directly or indirectly, any Lien on any of its properties or assets, whether now owned or hereafter acquired, except for Permitted Liens.

Section 7.3 Amendment and Waiver. The Borrower shall not, and shall not permit any Restricted Subsidiary to, enter into any amendment of, or agree to or accept or consent to any waiver of any of the material provisions of its Articles or Certificate of Incorporation or partnership agreement or the documents pertaining to the Interim Financing, as appropriate, if the effect thereof would be to adversely affect the rights of the Lenders hereunder or under any Loan Document.

Section 7.4 Liquidation, Merger or Disposition of Assets.

(a) Disposition of Assets. The Borrower shall not, and shall not

permit any Restricted Subsidiary to, at any time sell, lease, abandon, or otherwise dispose of any assets (other than assets disposed of in the ordinary course of business) without the prior written consent of all of the Lenders; provided, however, that the prior written consent of the Lenders shall not be

required for (i) the transfer of assets (including cash or cash equivalents) among the Borrower and its Restricted Subsidiaries (excluding Subsidiaries described in clause (b) of the definition of "Subsidiary") or for the transfer of assets (including cash or cash equivalents) between or among Restricted Subsidiaries (excluding Subsidiaries described in clause (b) of the definition of "Subsidiary") of the Borrower, or (ii) the disposition of communications tower facilities that contribute, in the aggregate, less than (A) fifteen percent (15%) of the Annualized Operating Cash Flow of Borrower and the Restricted Subsidiaries, and (B) twenty-five percent (25%) of the total Annualized Operating Cash Flow of the Borrower and the Restricted Subsidiaries for the period from the Agreement Date through the date of such disposition; provided further, however, that, in each case, no Default or Event of Default

exists and none shall be caused to occur as a result thereof. Upon any sale or disposition of a Restricted Subsidiary permitted hereunder, the Administrative Agent and the Lenders shall, at Borrower's expense, take such actions as the Borrower reasonably requests to cause such Restricted Subsidiary to be released from its obligations under the Subsidiary Guaranty.

(b) Liquidation or Merger. The Borrower shall not, and shall not

permit any Restricted Subsidiary to, at any time, liquidate or dissolve itself (or suffer any liquidation or dissolution) or otherwise wind up, or enter into any merger, other than (i) a merger or consolidation among the Borrower and one or more Restricted Subsidiaries, provided the Borrower is the surviving corporation, (ii) a merger between or among two (2) or more Restricted Subsidiaries, or (iii) in connection with an Acquisition permitted hereunder effected by a merger in which the Borrower or, in a merger in which the Borrower is not a party, a Restricted Subsidiary is the surviving corporation or the surviving corporation becomes a Restricted Subsidiary, or (iv) a merger or consolidation among the Borrower or any Restricted Subsidiary, on the one hand, and any other Person, on the other hand, where the surviving Person (A) is a corporation, partnership or limited liability company organized and existing under the laws of the United States, any State thereof, or the District of Columbia, and (B) on the effective date of such merger or consolidation, expressly assumes, by supplemental agreement, executed and delivered to the Administrative Agent, for the benefit of itself and the Lenders, and the Lenders, in form and substance reasonably satisfactory to the Majority Lenders, all Obligations of the Borrower or such Restricted Subsidiary, as the case may be, under the Notes, the Agreement and the other Loan

Documents; provided, however, that, in each case, no Default or Event of Default

exists immediately prior to, and after giving effect to, such merger or
consolidation.

Section 7.5 Limitation on Guaranties. The Borrower shall not, and shall

not permit any Restricted Subsidiary to, at any time Guaranty, assume, be
obligated with respect to, or permit to be outstanding any Guaranty of, any
obligation of any other Person other than (a) a guaranty by endorsement of
negotiable instruments for collection in the ordinary course of business, (b)
obligations under agreements of any Restricted Subsidiary entered into in
connection with Acquisitions permitted under this Agreement, leases of real
property or the acquisition or furnishing of services, supplies and equipment in
the ordinary course of business of any Restricted Subsidiary, (c) Guaranties of
Indebtedness incurred as permitted pursuant to Section 7.1 hereof, (d) as may be
contained in any Loan Document including, without limitation, any Subsidiary
Guaranty, or (e) Guaranties required or permitted under the ATS Facility A Loan
Agreement or the ATS Facility B Loan Agreement.

Section 7.6 Investments and Acquisitions. The Borrower shall not, and

shall not permit any Restricted Subsidiary to, directly or indirectly, make any
loan or advance, or otherwise acquire for consideration evidences of
Indebtedness, capital stock or other securities of any Person or other assets or
property (other than assets or property in the ordinary course of business), or
make any Acquisition; provided, however, that:

(a) the Borrower and any Restricted Subsidiary may directly or through
a brokerage account (i) purchase marketable, direct obligations of the United
States of America, its agencies and instrumentalities maturing within three
hundred sixty-five (365) days of the date of purchase, (ii) purchase commercial
paper, money-market funds and business savings accounts issued by corporations,
each of which shall have a combined net worth of at least \$100,000,000 and each
of which conducts a substantial part of its business in the United States of
America, maturing within two hundred seventy (270) days from the date of the
original issue thereof, and rated "P-2" or better by Moody's Investors Service,
Inc. or "A-2" or better by Standard and Poor's Ratings Group, a division of
McGraw-Hill, (iii) purchase repurchase agreements, bankers' acceptances, and
domestic and Eurodollar certificates of deposit maturing within three hundred
sixty-five (365) days of the date of purchase which are issued by, or time
deposits maintained with, a United States national or state bank the deposits of
which are insured by the Federal Deposit Insurance Corporation or the Federal
Savings and Loan Insurance Corporation and having capital, surplus and undivided
profits totaling more than \$100,000,000 and rated "A" or better by Moody's
Investors Service, Inc. or Standard and Poor's Ratings Group, a division of
McGraw-Hill, Inc.;

(b) so long as no Default then exists or would be caused thereby, any Restricted Subsidiary may establish Unrestricted Subsidiaries and make Investments in such Unrestricted Subsidiaries of up to, in the aggregate, at any time, the sum of (i) \$50,000,000, with loans borrowed under the ATS Facility A Loan Agreement or the ATS Facility B Loan Agreement, and (ii) and equity proceeds not used to pay the Separation Obligations or to make Investments permitted under Sections 7.6(c) and (d) hereof;

(c) so long as no Default then exists or would be caused thereby, and subject to compliance with Section 5.12 hereof, any Restricted Subsidiary may make Acquisitions; provided, however, that Acquisitions described in clause

(iii) of the definition of "Acquisitions" shall not exceed at any time, in the aggregate, the sum of (i) \$50,000,000, and (ii) equity proceeds not used to pay the Separation Obligations after the Agreement Date or to make Investments permitted under Section 7.6(b) and (d) hereof;

(d) so long as no Default then exists or would be caused thereby, and subject to compliance with Section 5.12 hereof, any Restricted Subsidiary may make Investments (i) in communications tower facilities and communications tower related companies, in an amount not to exceed at any time, in the aggregate, the sum of (i) \$25,000,000 and (ii) equity proceeds not used to pay the Separation Obligations or to make Investments permitted under Sections 7.6(b) and (c) hereof; provided, however, that a Restricted Subsidiary has executed a binding

acquisition or merger agreement with such company;

(e) any Restricted Subsidiary may make Investments consisting of the Sconnix Note; and

(f) (i) make loans and advances to employees in the ordinary course of business and (ii) receive notes from employees in an amount not to exceed \$2,000,000 in the aggregate in connection with the exercise of stock options

Section 7.7 Restricted Payments. The Borrower shall not, and shall

not permit any of its Restricted Subsidiaries to, directly or indirectly declare or make any Restricted Payment; provided, however, that the Borrower may (a)

make payments with respect to Interim Financing (including the redemption thereof with the cash proceeds of a public equity offering by the Borrower), (b) make Restricted Payments contemplated in Section 3.1(f) hereof; and (c) make Restricted Payments in an amount not to exceed at any time, in the aggregate, the equity proceeds not used (i) to pay the Separation Obligations or (ii) for one or more of the purposes permitted by Section 7.6(b), (c) or (d) hereof.

Section 7.8 Total Leverage Ratio. (a) As of the end of any calendar

quarter, and (b) at the time of any Advance hereunder (after giving effect to such Advance), the Borrower shall not permit the Total Leverage Ratio to exceed the ratios set forth below during the periods indicated:

Period	Total Leverage Ratio
-----	-----
Closing through September 29, 1999	8.00:1
September 30, 1999 through September 29, 2000	7.75:1
September 30, 2000 through March 30, 2001	7.50:1
March 31, 2001 through June 29, 2001	6.75:1
June 30, 2001 through September 29, 2001	6.50:1
September 30, 2001 through December 30, 2001	6.25:1
December 31, 2001 through March 30, 2002	5.75:1
March 31, 2002 through June 29, 2002	5.50:1
June 30, 2002 through September 29, 2002	5.25:1
September 30, 2002 through December 30, 2002	5.00:1
December 31, 2002 through March 30, 2003	4.75:1
March 31, 2003 through June 29, 2003	4.50:1
June 30, 2003 through September 29, 2003	4.25:1
September 30, 2003 and thereafter	4.00:1

Section 7.9 Affiliate Transactions. Except as specifically provided

herein (including, without limitation, Sections 7.4, 7.6 and 7.7 hereof) and as may be described on Schedule 6 attached hereto, the Borrower shall not, and

shall not permit any Restricted Subsidiary to, at any time engage in any transaction with an Affiliate other than between or among the wholly-owned Restricted Subsidiary, or make an assignment or other transfer of any of its properties or assets to any Affiliate, on terms less advantageous to the Borrower or such Restricted Subsidiary than would be the case if such transaction had been effected with a non-Affiliate.

Section 7.10 ERISA Liabilities. The Borrower shall not, and shall cause

each of its ERISA Affiliates not to, (a) permit the assets of any of their respective Plans to be less than the amount necessary to provide all accrued benefits under such Plans, or (b) enter into any Multiemployer Plan.

Section 7.11 Sales and Leasebacks. The Borrower will not and will not

permit any Restricted Subsidiary to enter into, any arrangement, directly or indirectly, with any third party whereby the Borrower or a Restricted Subsidiary shall sell or transfer any property, real or personal, whether now owned or hereafter acquired, and whereby the Borrower or such

Restricted Subsidiary shall then or thereafter rent or lease as lessee such property or any part thereof or other property which the Borrower or such Restricted Subsidiary intends to use for substantially the same purpose or purposes as the property sold or transferred.

ARTICLE 8 Default

Section 8.1 Events of Default. Each of the following shall constitute an -----

Event of Default, whatever the reason for such event and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment or order of any court or any order, rule or regulation of any governmental or non-governmental body:

(a) Any representation or warranty made under this Agreement shall prove incorrect or misleading in any material respect when made or deemed to be made pursuant to Section 4.2 hereof;

(b) The Borrower shall default in the payment of (i) any interest under any of the Notes or fees or other amounts payable to the Lenders and the Administrative Agent under any of the Loan Documents, or any of them, when due, and such Default shall not be cured by payment in full within three (3) Business Days from the due date or (ii) any principal under any of the Notes when due;

(c) The Borrower shall default in the performance or observance of any agreement or covenant contained in Sections 5.2(a), 5.10, 7.1, 7.2, 7.4, 7.5, 7.7 or 7.8 hereof;

(d) The Borrower shall default in the performance or observance of any other agreement or covenant contained in this Agreement not specifically referred to elsewhere in this Section 8.1, and such default shall not be curable within a period of thirty (30) days (or with respect to Sections 5.3, 5.4, 5.5, 5.6, 5.7, 5.8, 5.9, 5.12, 5.13, 5.14, 6.4, 6.5, 7.3, 7.9, 7.10 and 7.11 hereof, such longer period not to exceed sixty (60) days if such default is curable within such period and the Borrower is proceeding in good faith with all diligent efforts to cure such default) from the date on which such Default became known to the Borrower;

(e) There shall occur any default in the performance or observance of any agreement or covenant or breach of any representation or warranty contained in any of the Loan Documents (other than this Agreement or as otherwise provided in this Section 8.1) by the Borrower, any Restricted Subsidiary, or any other obligor thereunder, which shall not be cured within a period of thirty (30) days (or such longer period not to exceed sixty (60) days if such default is curable within such period and the Borrower or such Restricted Subsidiary

or other obligor is proceeding in good faith with all diligent efforts to cure such default) from the later of (i) occurrence of such Default and (ii) date on which such default became known to the Borrower;

(f) There shall be entered and remain unstayed a decree or order for relief in respect of the Borrower or any Restricted Subsidiary under Title 11 of the United States Code, as now constituted or hereafter amended, or any other applicable Federal or state bankruptcy law or other similar law, or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or similar official of the Borrower or any Restricted Subsidiary, or of any substantial part of their respective properties, or ordering the winding-up or liquidation of the affairs of the Borrower or any Restricted Subsidiary; or an involuntary petition shall be filed against the Borrower or any Restricted Subsidiary and a temporary stay entered, and (i) such petition and stay shall not be diligently contested, or (ii) any such petition and stay shall continue undismissed for a period of ninety (90) consecutive days;

(g) The Borrower or any Restricted Subsidiary shall file a petition, answer or consent seeking relief under Title 11 of the United States Code, as now constituted or hereafter amended, or any other applicable Federal or state bankruptcy law or other similar law, or the Borrower or any Restricted Subsidiary shall consent to the institution of proceedings thereunder or to the filing of any such petition or to the appointment or taking of possession of a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of the Borrower or any Restricted Subsidiary or of any substantial part of their respective properties, or the Borrower or any Restricted Subsidiary shall fail generally to pay their respective debts as they become due or shall be adjudicated insolvent; the Borrower shall suspend or discontinue its business, except as permitted by Section 7.4 hereof; the Borrower or any Restricted Subsidiary shall have concealed, removed any of its property with the intent to hinder or defraud its creditors or shall have made a fraudulent or preferential transfer under any applicable fraudulent conveyance or bankruptcy law, or the Borrower or any Restricted Subsidiary shall take any action in furtherance of any such action;

(h) A judgment not covered by insurance or indemnification, where the indemnifying party has agreed to indemnify and is financially able to do so, shall be entered by any court against the Borrower or any Restricted Subsidiary for the payment of money which exceeds singly, or in the aggregate with other such judgments, \$10,000,000, or a warrant of attachment or execution or similar process shall be issued or levied against property of the Borrower or any Restricted Subsidiary which, together with all other such property of the Borrower or any Restricted Subsidiary subject to other such process, exceeds in value \$10,000,000 in the aggregate, and if, within thirty (30) days after the entry, issue or levy thereof, such judgment, warrant or process, shall not have been paid or discharged or

stayed pending appeal or removed to bond, or if, after the expiration of any such stay, such judgment, warrant or process shall not have been paid or discharged or removed to bond;

(i) There shall be at any time any "accumulated funding deficiency," as defined in ERISA or in Section 412 of the Code, with respect to any Plan maintained by the Borrower or any of its Subsidiaries or any ERISA Affiliate, or to which the Borrower or any of its Subsidiaries or any ERISA Affiliate has any liabilities, or any trust created thereunder; or a trustee shall be appointed by a United States District Court to administer any such Plan; or PBGC shall institute proceedings to terminate any such Plan; or the Borrower or any of its Subsidiaries or any ERISA Affiliate shall incur any liability to PBGC in connection with the termination of any such Plan; or any Plan or trust created under any Plan of the Borrower or any of its Subsidiaries or any ERISA Affiliate shall engage in a "prohibited transaction" (as such term is defined in Section 406 of ERISA or Section 4975 of the Code) which would subject any such Plan, any trust created thereunder, any trustee or administrator thereof, or any party dealing with any such Plan or trust to the tax or penalty on "prohibited transactions" imposed by Section 502 of ERISA or Section 4975 of the Code;

(j) There shall occur (i) any acceleration of the maturity of any Indebtedness of the Borrower or any Restricted Subsidiary (other than the ATS Facility A Loan Agreement and the ATS Facility B Loan Agreement) in an aggregate principal amount exceeding \$5,000,000, or, as a result of a failure to comply with the terms thereof, such Indebtedness shall otherwise have become due and payable; or (ii) any event or condition the occurrence of which would permit such acceleration of such Indebtedness, or which, as a result of a failure to comply with the terms thereof, would make such Indebtedness otherwise due and payable, and which event or condition has not been cured within any applicable cure period or waived in writing prior to any declaration of an Event of Default or acceleration of the Loans hereunder;

(k) The Borrower and its Restricted Subsidiaries are for any reason no longer able to operate or manage the related communications tower facilities or portions thereof and retain the revenue received therefrom, and the overall effect of which would be to reduce Annualized Operating Cash Flow (determined as at the last day of the most recently ended fiscal year of the Borrower) by ten percent (10%) or more;

(1) Any material Loan Document, or any material provision thereof, shall at any time and for any reason be declared by a court of competent jurisdiction to be null and void, or a proceeding shall be commenced by the Borrower or any Restricted Subsidiary or by any governmental authority having jurisdiction over the Borrower or any Restricted Subsidiary seeking to establish the invalidity or unenforceability thereof (exclusive of questions of interpretation of any provision thereof), or the Borrower or any Subsidiary shall

deny that it has any liability or obligation for the payment of principal or interest purported to be created under any Loan Document;

(m) Any material Security Document shall, for any reason, fail or cease (except by reason of lapse of time) to create a valid and perfected Lien on or Security Interest in any material portion of the Collateral purported to be covered thereby;

(n) There shall occur any Change of Control;

(o) Borrower or any Restricted Subsidiary shall be indicted under the Racketeer Influenced and Corrupt Organizations Act of 1970 (18 U.S.C. (S) 1961 et seq.);

(p) There shall occur and be continuing any "Event of Default" resulting from a failure to make a payment of principal or interest under the ATS Facility A Loan Agreement or the ATS Facility B Loan Agreement; or

(q) The Borrower shall, without the consent of the Required Lenders under each of the ATS Facility A Loan Agreement and the ATS Facility B Loan Agreement, prepay all or part of the principal amount of the Loans then outstanding.

Section 8.2 Remedies.

(a) If an Event of Default specified in Section 8.1 (other than an Event of Default under Section 8.1(f) or (g) hereof) shall have occurred and shall be continuing, the Administrative Agent, at the request of the Majority Lenders, but subject to Section 9.8 hereof, shall declare the principal of and interest on the Loans and the Notes and all other amounts owed to the Lenders and the Administrative Agent under this Agreement, the Notes and any other Loan Documents to be forthwith due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived, anything in this Agreement, the Notes or any other Loan Document to the contrary notwithstanding.

(b) Upon the occurrence and continuance of an Event of Default specified in Section 8.1(f) or (g) hereof, all principal, interest and other amounts due hereunder and under the Notes, and all other Obligations, shall thereupon and concurrently therewith become due and payable and the principal amount of the Loans outstanding hereunder shall bear interest at the Default Rate, all without any action by the Administrative Agent or the Lenders or the Majority Lenders or any of them and without presentment, demand, protest or other notice of any kind, all of which are expressly waived, anything in this Agreement or in the other Loan Documents to the contrary notwithstanding.

(c) Upon acceleration of the Notes, as provided in subsection (a) or (b) of this Section 8.2, the Administrative Agent and the Lenders shall have all of the post-default rights granted to them, or any of them, as applicable under the Loan Documents and under Applicable Law.

(d) Upon acceleration of the Notes, as provided in subsection (a) or (b) of this Section 8.2, the Administrative Agent shall have the right (but not the obligation) upon the request of the Lenders to operate the communications tower facilities of the Borrower and its Restricted Subsidiaries in accordance with the terms of the Licenses and pursuant to the terms and subject to any limitations contained in the Security Documents and, within guidelines established by the Majority Lenders, to make any and all payments and expenditures necessary or desirable in connection therewith, including, without limitation, payment of wages as required under the Fair Labor Standards Act, as amended, and of any necessary withholding taxes to state or federal authorities. In the event the Majority Lenders fail to agree upon the guidelines referred to in the preceding sentence within six (6) Business Days' after the Administrative Agent has begun to operate the communications tower facilities, the Administrative Agent may, after giving three (3) days' prior written notice to the Lenders of its intention to do so, make such payments and expenditures as it deems reasonable and advisable in its sole discretion to maintain the normal day-to-day operation of such communications tower facilities. Such payments and expenditures in excess of receipts shall constitute Advances under the Commitment, not in excess of the amount of the Commitment. Advances made pursuant to this Section 8.2(d) shall bear interest as provided in Section 2.3(d) hereof and shall be payable on demand. The making of one or more Advances under this Section 8.2(d) shall not create any obligation on the part of the Lenders to make any additional Advances hereunder. No exercise by the Administrative Agent of the rights granted to it under this Section 8.2(d) shall constitute a waiver of any other rights and remedies granted to the Administrative Agent and the Lenders, or any of them, under this Agreement or at law. The Borrower hereby irrevocably appoints the Administrative Agent as agent for the Lenders, the true and lawful attorney of the Borrower, in its name and stead and on its behalf, to execute, receipt for or otherwise act in connection with any and all contracts, instruments or other documents in connection with the completion and operation of the communications tower facilities in the exercise of the Administrative Agent's and the Lenders' rights under this Section 8.2(d). Such power of attorney is coupled with an interest and is irrevocable. The rights of the Administrative Agent under this Section 8.2(d) shall be subject to its prior compliance with the Communications Act and the FCC rules and policies promulgated thereunder to the extent applicable to the exercise of such rights.

(e) Upon acceleration of the Notes, as provided in subSection (a) or (b) of this Section 8.2, the Administrative Agent, upon request of the Majority Lenders, shall have

the right to appoint a receiver for the properties and assets of the Borrower and its Restricted Subsidiaries, and the Borrower, for itself and on behalf of its Restricted Subsidiaries, hereby consents to such rights and such appointment and hereby waives any objection the Borrower or any Restricted Subsidiary may have thereto or the right to have a bond or other security posted by the Administrative Agent, on behalf of the Lenders, in connection therewith. The rights of the Administrative Agent under this Section 8.2(e) shall be subject to its prior compliance with the Communications Act and the FCC rules and policies promulgated thereunder to the extent applicable to the exercise of such rights.

(f) The rights and remedies of the Administrative Agent and the Lenders hereunder shall be cumulative, and not exclusive.

Section 8.3 Payments Subsequent to Declaration of Event of Default.

Subsequent to the acceleration of the Loans under Section 8.2 hereof, payments and prepayments under this Agreement made to the Administrative Agent and the Lenders or otherwise received by any of such Persons (from realization on Collateral for the Obligations or otherwise) shall be paid over to the Administrative Agent (if necessary) and distributed by the Administrative Agent as follows: first, to the Administrative Agent's reasonable costs and expenses,

if any, incurred in connection with the collection of such payment or prepayment, including, without limitation, any reasonable costs incurred by it in connection with the sale or disposition of any Collateral for the Obligations and all amounts under Sections 11.2(b) and (c) hereof; second, to the Lenders or

the Administrative Agent for any fees hereunder or under any of the other Loan Documents then due and payable; third, to the Lenders pro rata on the basis of

their respective unpaid principal amounts (except as provided in Section 2.2(e) hereof), to the payment of any unpaid interest which may have accrued on the Obligations; fourth, to the Lenders pro rata until all Loans have been paid in

full; fifth, to the Lenders pro rata on the basis of their respective unpaid

amounts, to the payment of any other unpaid Obligations; and sixth, to the

Borrower or as otherwise required by law.

ARTICLE 9 The Administrative Agent

Section 9.1 Appointment and Authorization. Each Lender hereby irrevocably

appoints and authorizes, and hereby agrees that it will require any transferee of any of its interest in its portion of the Loans and in its Note irrevocably to appoint and authorize, the Administrative Agent to take such actions as its agent on its behalf and to exercise such powers hereunder and under the other Loan Documents as are delegated by the terms hereof and thereof, together with such powers as are reasonably incidental thereto. Neither the Administrative Agent, nor any of its respective directors, officers, employees or agents, shall be liable 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 as determined by a final, non-appealable judicial order of a court of competent jurisdiction.

Section 9.2 Interest Holders. The Administrative Agent may treat each

Lender, or the Person designated in the last notice filed with the Administrative Agent, as the holder of all of the interests of such Lender in its portion of the Loans and in its Note until written notice of transfer, signed by such Lender (or the Person designated in the last notice filed with the Administrative Agent) and by the Person designated in such written notice of transfer, in form and substance satisfactory to the Administrative Agent, shall have been filed with the Administrative Agent.

Section 9.3 Consultation with Counsel. The Administrative Agent may

consult with Powell, Goldstein, Frazer & Murphy LLP, Atlanta, Georgia, special counsel to the Administrative Agent, or with other legal counsel selected by it and shall not be liable for any action taken or suffered by it in good faith in consultation with the Majority Lenders and in reasonable reliance on such consultations.

Section 9.4 Documents. The Administrative Agent shall be under no duty to

examine, inquire into, or pass upon the validity, effectiveness or genuineness of this Agreement, any Note, any other Loan Document, or any instrument, document or communication furnished pursuant hereto or in connection herewith, and the Administrative Agent shall be entitled to assume that they are valid, effective and genuine, have been signed or sent by the proper parties and are what they purport to be.

Section 9.5 Administrative Agent and Affiliates. With respect to the

Commitment and the Loans, the Administrative Agent shall have the same rights and powers hereunder as any other Lender and the Administrative Agent and Affiliates of the Administrative Agent may accept deposits from, lend money to and generally engage in any kind of business with the Borrower, any of its Subsidiaries or other Affiliates of, or Persons doing business with, the Borrower, any of its Subsidiaries or other Affiliates, as if they were not affiliated with the Administrative Agent and without any obligation to account therefor.

Section 9.6 Responsibility of the Administrative Agent. The duties and

obligations of the Administrative Agent under this Agreement are only those expressly set forth in this Agreement. The Administrative Agent shall be entitled to assume that no Default or Event of Default has occurred and is continuing unless it has actual knowledge, or has been notified in writing by the Borrower, of such fact, or has been notified by a Lender in writing that such Lender considers that a Default or an Event of Default has occurred and is continuing, and such Lender shall specify in detail the nature thereof in writing. The Administrative Agent shall not be liable hereunder for any action taken or omitted to be taken except for its own

gross negligence or willful misconduct as determined by a final, non-appealable judicial order of a court of competent jurisdiction. The Administrative Agent shall provide each Lender with copies of such documents received from the Borrower as such Lender may reasonably request.

Section 9.7 Action by the Administrative Agent.

(a) The Administrative Agent shall be entitled to use its discretion with respect to exercising or refraining from exercising any rights which may be vested in it by, and with respect to taking or refraining from taking any action or actions which it may be able to take under or in respect of, this Agreement, unless the Administrative Agent shall have been instructed by the Majority Lenders to exercise or refrain from exercising such rights or to take or refrain from taking such action; provided, however, that the Administrative Agent shall

not exercise any rights under Section 8.2(a) hereof without the request of the Majority Lenders (or, where expressly required, all the Lenders), unless time is of the essence, in which case, such action can be taken at the request of the Administrative Agent. The Administrative Agent shall incur no liability under or in respect of this Agreement with respect to anything which it may do or refrain from doing in the reasonable exercise of its judgment or which may seem to it to be necessary or desirable in the circumstances, except for its gross negligence or willful misconduct as determined by a final, non-appealable judicial order of a court having jurisdiction over the subject matter.

(b) The Administrative Agent shall not be liable to the Lenders or to any Lender or the Borrower or any of the Borrower's Subsidiaries in acting or refraining from acting under this Agreement or any other Loan Document in accordance with the instructions of the Majority Lenders (or, where expressly required, all of the Lenders), and any action taken or failure to act pursuant to such instructions shall be binding on all of the Lenders, except for its gross negligence or willful misconduct as determined by a final, non-appealable judicial order of a court having jurisdiction over the subject matter. The Administrative Agent shall not be obligated to take any action which is contrary to law or which would in its reasonable opinion subject it to liability.

Section 9.8 Notice of Default or Event of Default. In the event that the

Administrative Agent or any Lender shall acquire actual knowledge, or shall have been notified, of any Default or Event of Default, the Administrative Agent or such Lender shall promptly notify the Lenders (provided, however, that failure

to give such notice shall not result in any liability on the part of such Lender or Administrative Agent), and the Administrative Agent shall take such action and assert such rights under this Agreement and the other Loan Documents as the Majority Lenders shall request in writing, and the Administrative Agent shall not be subject to any liability by reason of its acting pursuant to

any such request. If the Majority Lenders shall fail to request the Administrative Agent to take action or to assert rights under this Agreement or any other Loan Documents in respect of any Default or Event of Default within ten (10) days after their receipt of the notice of any Default or Event of Default from the Administrative Agent or any Lender, or shall request inconsistent action with respect to such Default or Event of Default, the Administrative Agent may, but shall not be required to, take such action and assert such rights (other than rights under Article 8 hereof) as it deems in its discretion to be advisable for the protection of the Lenders, except that, if the Majority Lenders have instructed the Administrative Agent not to take such action or assert such right, in no event shall the Administrative Agent act contrary to such instructions, unless time is of the essence, in which case, the Administrative Agent may act in accordance with its reasonable discretion.

Section 9.9 Responsibility Disclaimed. The Administrative Agent shall not

be under any liability or responsibility whatsoever as Administrative Agent:

(a) To the Borrower or any other Person as a consequence of any failure or delay in performance by, or any breach by, any Lender or Lenders of any of its or their obligations under this Agreement;

(b) To any Lender or Lenders as a consequence of any failure or delay in performance by, or any breach by, (i) the Borrower of any of its obligations under this Agreement or the Notes or any other Loan Document, or (ii) any Restricted Subsidiary or any other obligor under any other Loan Document;

(c) To any Lender or Lenders, for any statements, representations or warranties in this Agreement, or any other document contemplated by this Agreement or any information provided pursuant to this Agreement, any other Loan Document, or any other document contemplated by this Agreement, or for the validity, effectiveness, enforceability or sufficiency of this Agreement, the Notes, any other Loan Document, or any other document contemplated by this Agreement; or

(d) To any Person for any act or omission other than that arising from gross negligence or willful misconduct of the Administrative Agent as determined by a final, non-appealable judicial order of a court of competent jurisdiction.

Section 9.10 Indemnification. The Lenders agree to indemnify the

Administrative Agent (to the extent not reimbursed by the Borrower) pro rata according to their respective Commitment Ratios, from and against any and all liabilities, obligations, losses (other than the loss of principal, interest and fees hereunder in the event of a bankruptcy or out-of-court 'work-out' of the Loans), damages, penalties, actions, judgments, suits, costs, expenses

(including, without limitation, fees and expenses of experts, agents, consultants and counsel), or disbursements of any kind or 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 other Loan Document, or any other document contemplated by this Agreement or any other Loan Document or any action taken or omitted by the Administrative Agent under this Agreement, any other Loan Document, or any other document contemplated by this Agreement, except that no Lender shall be liable to the Administrative Agent for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, or disbursements resulting from the gross negligence or willful misconduct of the Administrative Agent as determined by a final, non-appealable judicial order of a court having jurisdiction over the subject matter.

Section 9.11 Credit Decision. Each Lender represents and warrants to each other and to the Administrative Agent that:

(a) In making its decision to enter into this Agreement and to make its portion of the Loans it has independently taken whatever steps it considers necessary to evaluate the financial condition and affairs of the Borrower, and that it has made an independent credit judgment, and that it has not relied upon the Administrative Agent or information provided by the Administrative Agent (other than information provided to the Administrative Agent by the Borrower and forwarded by the Administrative Agent to the Lenders); and

(b) So long as any portion of the Loans remains outstanding or such Lender has an obligation to make its portion of Advances hereunder, it will continue to make its own independent evaluation of the financial condition and affairs of the Borrower.

Section 9.12 Successor Administrative Agent. Subject to the appointment and acceptance of a successor Administrative Agent as provided below, the Administrative Agent may resign at any time by giving written notice thereof to the Lenders and the Borrower and may be removed at any time for cause by the Majority Lenders. Upon any such resignation or removal, the Majority Lenders shall have the right to appoint a successor Administrative Agent which appointment shall, prior to a Default, be subject to the consent of the Borrower, acting reasonably. If (a) no successor Administrative Agent shall have been so appointed by the Majority Lenders or (b) if appointed, no successor Administrative Agent shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent gave notice of resignation or the Majority Lenders removed the retiring Administrative Agent, then the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent which shall be any Lender or a commercial bank organized under the laws of the United States of America or any political subdivision thereof which has

combined capital and reserves in excess of \$250,000,000 and which shall be reasonably acceptable to the Borrower. Upon the acceptance of any appointment as 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, duties and obligations of the retiring Administrative Agent and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents. After any retiring Administrative Agent's resignation or removal hereunder as Administrative Agent the provisions of this Article 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. In the event that the Administrative Agent or any of its respective Affiliates ceases to be a Lender hereunder, such Person shall resign its agency hereunder.

Section 9.13 Delegation of Duties. The Administrative Agent may execute

any of its duties under the Loan Documents by or through agents or attorneys selected by it using reasonable care, and shall be entitled to advice of counsel concerning all matters pertaining to such duties.

ARTICLE 10 Changes in Circumstances
Affecting LIBOR Advances and Increased Costs

Section 10.1 LIBOR Basis Determination Inadequate or Unfair. If with

respect to any proposed LIBOR Advance for any Interest Period, the Administrative Agent determines after consultation with the Lenders that deposits in dollars (in the applicable amount) are not being offered to each of the Lenders in the relevant market for such Interest Period, the Administrative Agent shall forthwith give notice thereof to the Borrower and the Lenders, whereupon until the Administrative Agent notifies the Borrower that the circumstances giving rise to such situation no longer exist, the obligations of any affected Lender to make its portion of such LIBOR Advances shall be suspended.

Section 10.2 Illegality. If after the date hereof, the adoption of any

Applicable Law, or any change in any Applicable Law (whether adopted before or after the Agreement Date), or any change in interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any Lender with any directive (whether or not having the force of law) of any such authority, central bank or comparable agency, shall make it unlawful or impossible for any Lender to make, maintain or fund its portion of LIBOR Advances, such Lender shall so notify the Administrative Agent, and the Administrative Agent shall forthwith give notice thereof to the other Lenders and the Borrower. Before giving any notice to the Administrative Agent pursuant to this Section 10.2, such Lender shall designate a different

lending office if such designation will avoid the need for giving such notice and will not, in the sole reasonable judgment of such Lender, be otherwise materially disadvantageous to such Lender. Upon receipt of such notice, notwithstanding anything contained in Article 2 hereof, the Borrower shall repay in full the then outstanding principal amount of such Lender's portion of each affected LIBOR Advance, together with accrued interest thereon, on either (a) the last day of the then current Interest Period applicable to such affected LIBOR Advances if such Lender may lawfully continue to maintain and fund its portion of such LIBOR Advance to such day or (b) immediately if such Lender may not lawfully continue to fund and maintain its portion of such affected LIBOR Advances to such day. Concurrently with repaying such portion of each affected LIBOR Advance, the Borrower may borrow a Base Rate Advance from such Lender, whether or not it would have been entitled to effect such borrowing, and such Lender shall make such Advance, if so requested, in an amount such that the outstanding principal amount of the affected Note held by such Lender shall equal the outstanding principal amount of such Note or Notes immediately prior to such repayment.

Section 10.3 Increased Costs.

(a) If after the date hereof, the adoption of any Applicable Law, or any change in any Applicable Law (whether adopted before or after the Agreement Date), or any interpretation or change in interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof or compliance by any Lender with any directive (whether or not having the force of law) of any such authority, central bank or comparable agency:

(1) shall subject any Lender to any tax, duty or other charge with respect to its obligation to make its portion of LIBOR Advances, or its portion of existing Advances, or shall change the basis of taxation of payments to any Lender of the principal of or interest on its portion of LIBOR Advances or in respect of any other amounts due under this Agreement or its obligation to make its portion of LIBOR Advances (except for changes in the rate or method of calculation of tax on the revenues or net income of such Lender); or

(2) shall impose, modify or deem applicable any reserve (including, without limitation, any imposed by the Board of Governors of the Federal Reserve System, but excluding any included in an applicable Eurodollar Reserve Percentage), special deposit, capital adequacy, assessment or other requirement or condition against assets of, deposits with or for the account of, or commitments or credit extended by, any Lender or shall impose on any Lender or the London interbank

borrowing market any other condition affecting its obligation to make its portion of such LIBOR Advances or its portion of existing Advances;

and the result of any of the foregoing is to increase the cost to such Lender of making or maintaining any of its portion of LIBOR Advances, or to reduce the amount of any sum received or receivable by such Lender under this Agreement or under its Note with respect thereto, then, within ten (10) days after demand by such Lender, the Borrower agrees to pay to such Lender such additional amount or amounts as will compensate such Lender for such increased costs. All payments made by the Borrower under this Agreement shall, as set forth above, be made free and clear of, and without deduction or withholding for or on account of, any present or future income, stamp, or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any governmental authority excluding net income taxes and franchise taxes (imposed in lieu of net income taxes) imposed on any Lender as a result of present or former connection between such Person and the jurisdiction of the governmental authority imposing such tax or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from such Person having executed, delivered or performed its obligations or received a payment under, or enforced, this Agreement or any other Loan Document). If any such non-excluded taxes, levies, imposts, duties, charges, fees, deductions or withholdings ("Non-Excluded Taxes") are required to be withheld from any amounts payable to any Lender hereunder, the amounts so payable to such Person shall be increased to the extent necessary to yield to such Person (after payment of all Non-Excluded Taxes) interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Agreement; provided, however, that the Borrower shall not be required to increase any such amounts payable to any Lender that is not organized under the laws of the United States of America or a state thereof if such Person fails to comply with the requirements of Section 2.10 of this Agreement. Whenever any Non-Excluded Taxes are payable by the Borrower, as promptly as possible thereafter the Borrower shall send to the Administrative Agent for its own account or for the account of such Lender, as the case may be, a certified copy of an original official receipt received by the Borrower showing payment thereof. If the Borrower fails to pay any Non-Excluded Taxes when due to the appropriate taxing authority or fails to remit to the Administrative Agent the required receipts or other documentary evidence, the Borrower shall indemnify the Administrative Agent and the Lenders for any incremental taxes, interest or penalties that may become payable by the Administrative Agent or any Lender as result of any such failure. The Borrower shall make any payments required pursuant to the immediately preceding sentence within thirty (30) days after receipt of written demand therefor from the Administrative Agent or any Lender, as the case may be. The agreements set forth in this 10.3 shall survive the termination of this Agreement and the payment of the Obligations. Each Lender will promptly notify the Borrower and the Administrative Agent of any event of which it has knowledge, occurring after the date

hereof, which will entitle such Lender to compensation pursuant to this Section 10.3 and will designate a different lending office if such designation will avoid the need for, or reduce the amount of, such compensation and will not, in the sole reasonable judgment of such Lender made in good faith, be otherwise disadvantageous to such Lender. Notwithstanding any provision herein to the contrary, the Borrower shall have no obligation to pay any Lender any amount which the Borrower is required to withhold due to the failure of such Lender to file any statement of exemption required by the Code.

(b) Any Lender claiming compensation under this Section 10.3 shall provide the Borrower with a written certificate setting forth the additional amount or amounts to be paid to it hereunder and calculations therefor in reasonable detail. Such certificate shall be presumptively correct absent manifest error. In determining such amount, such Lender may use any reasonable averaging and attribution methods. If any Lender demands compensation under this Section 10.3, the Borrower may at any time, upon at least five (5) Business Days' prior notice to such Lender, prepay in full such Lender's portion of the then outstanding LIBOR Advances, together with accrued interest and fees thereon to the date of prepayment, along with any reimbursement required under Section 2.10 hereof and this Section 10.3. Concurrently with prepaying such portion of LIBOR Advances the Borrower may, whether or not then entitled to make such borrowing, borrow a Base Rate Advance, or a LIBOR Advance not so affected, from such Lender, and such Lender shall, if so requested, make such Advance in an amount such that the outstanding principal amount of the affected Note or Notes held by such Lender shall equal the outstanding principal amount of such Note or Notes immediately prior to such prepayment.

Section 10.4 Effect On Other Advances. If notice has been given pursuant

to Section 10.1, 10.2 or 10.3 hereof suspending the obligation of any Lender to make its portion of any type of LIBOR Advance, or requiring such Lender's portion of LIBOR Advances to be repaid or prepaid, then, unless and until such Lender notifies the Borrower that the circumstances giving rise to such repayment no longer apply, all amounts which would otherwise be made by such Lender as its portion of LIBOR Advances shall, unless otherwise notified by the Borrower, be made instead as Base Rate Advances.

ARTICLE 11 Miscellaneous

Section 11.1 Notices.

(a) Except as otherwise expressly provided herein, all notices and other communications under this Agreement and the other Loan Documents (unless otherwise specifically stated therein) shall be in writing and shall be deemed to have been given

three (3) Business Days after deposit in the mail, designated as certified mail, return receipt requested, postage-prepaid, or one (1) Business Day after being entrusted to a reputable commercial overnight delivery service for next day delivery, or when sent on a Business Day prior to 5:00 p.m. (New York, New York time) by telecopy addressed to the party to which such notice is directed at its address determined as provided in this Section 11.1. All notices and other communications under this Agreement shall be given to the parties hereto at the following addresses:

(i) If to the Borrower, to it at:

American Tower Corporation
116 Huntington Avenue
Boston, Massachusetts 02111
Attn: Joseph B. Winn, Chief Financial Officer

with copies to:

Sullivan & Worcester LLP
One Post Office Square
Boston, Massachusetts 02110
Attn: Norman A. Bikales, Esq.

(ii) If to the Administrative Agent, to it at:

Toronto Dominion (Texas), Inc.
909 Fannin Street, Suite 1700
Houston, Texas 77010
Attention: Agency Department

with a copy to:

The Toronto-Dominion Bank
Toronto Dominion Securities, Inc.
USA Division
31 West 52nd Street
New York, NY 10019-6101
Attn: Managing Director, Communications Finance

and with a copy to:

Powell, Goldstein, Frazer & Murphy LLP
Sixteenth Floor
191 Peachtree Street, N.E.
Atlanta, Georgia 30303
Attn: Douglas S. Gosden, Esq.

(iii) If to the Lenders, to them at the addresses set forth beside their names as set forth on Schedule 8 attached hereto.

The failure to provide copies shall not affect the validity of the notice given to the primary recipient.

(b) Any party hereto may change the address to which notices shall be directed under this Section 11.1 by giving ten (10) days' written notice of such change to the other parties.

Section 11.2 Expenses. The Borrower will promptly pay, or reimburse:

(a) all reasonable out-of-pocket expenses of the Administrative Agent in connection with the preparation, negotiation, execution and delivery of this Agreement and the other Loan Documents, and the transactions contemplated hereunder and thereunder and the making of the initial Advance hereunder (whether or not such Advance is made), including, without limitation, the reasonable fees and disbursements of Powell, Goldstein, Frazer & Murphy LLP, Atlanta, Georgia special counsel for the Administrative Agent; and

(b) all reasonable out-of-pocket costs and expenses of the Administrative Agent and the Lenders of enforcement under this Agreement or the other Loan Documents and all reasonable out-of-pocket costs and expenses of collection if an Event of Default occurs in the payment of the Notes, which in each case shall include, without limitation, reasonable fees and out-of-pocket expenses of counsel for the Administrative Agent and the Lenders.

Section 11.3 Waivers. The rights and remedies of the Administrative Agent

and the Lenders under this Agreement and the other Loan Documents shall be cumulative and not exclusive of any rights or remedies which they would otherwise have. No failure or delay by the Administrative Agent, the Majority Lenders, or the Lenders, or any of them, in exercising any right, shall operate as a waiver of such right. The Administrative Agent and the Lenders expressly reserve the right to require strict compliance with the terms of this Agreement in

connection with any future funding of a Request for Advance. In the event the Lenders decide to fund a Request for Advance at a time when the Borrower is not in strict compliance with the terms of this Agreement, such decision by the Lenders shall not be deemed to constitute an undertaking by the Lenders to fund any further Request for Advance or preclude the Lenders or the Administrative Agent from exercising any rights available under the Loan Documents or at law or equity. Any waiver or indulgence granted by the Administrative Agent, the Lenders, or the Majority Lenders, shall not constitute a modification of this Agreement or any other Loan Document, except to the extent expressly provided in such waiver or indulgence, or constitute a course of dealing at variance with the terms of this Agreement or any other Loan Document such as to require further notice of their intent to require strict adherence to the terms of this Agreement or any other Loan Document in the future.

Section 11.4 Set-Off. In addition to any rights now or hereafter granted

under Applicable Law and not by way of limitation of any such rights, upon the occurrence of an Event of Default and during the continuation thereof, the Administrative Agent and each of the Lenders are hereby authorized by the Borrower at any time or from time to time, without notice to the Borrower or to any other Person, any such notice being, to the extent permitted by Applicable Law, hereby expressly waived, to set off and to appropriate and to apply any and all deposits (general or special, time or demand, including, but not limited to, Indebtedness evidenced by certificates of deposit, in each case whether matured or unmatured) and any other Indebtedness at any time held or owing by any Lender or Administrative Agent, to or for the credit or the account of the Borrower or any Restricted Subsidiary, against and on account of the obligations and liabilities of the Borrower to the Lenders and the Administrative Agent, including, but not limited to, all Obligations and any other claims of any nature or description arising out of or connected with this Agreement, the Notes or any other Loan Document, irrespective of whether (a) any Lender or Administrative Agent shall have made any demand hereunder or (b) any Lender or Administrative Agent shall have declared the principal of and interest on the Loans and other amounts due hereunder to be due and payable as permitted by Section 8.2 hereof and although such obligations and liabilities or any of them shall be contingent or unmatured. Upon direction by the Administrative Agent, with the consent of all of the Lenders, each Lender holding deposits of the Borrower or any Restricted Subsidiary shall exercise its set-off rights as so directed; and, within one (1) Business Day following any such setoff, the Administrative Agent shall give notice thereof to the Borrower. Notwithstanding anything to the contrary contained in this Section 11.4, no Lender shall exercise any right of offset without the prior consent of the Majority Lenders so long as the Obligations shall be secured by any real property or real property interest including leaseholds located in the State of California, it being understood and agreed that the provisions of this sentence are for the exclusive benefit of the Lenders, may be amended, modified or waived by the Majority Lenders without notice

to or consent of the Borrower or any Subsidiary of the Borrower and shall not constitute a waiver of any rights against the Borrower or any Subsidiary or against any Collateral.

Section 11.5 Assignment and Participations.

(a) The Borrower may not assign or transfer any of its rights or obligations hereunder, under the Notes or under any other Loan Document without the prior written consent of each Lender.

(b) Each Lender may sell (i) assignments of any amount of its interest hereunder to any Lender, or (ii) assignments or participations of up to one hundred percent (100%) of its interest hereunder to (A) one (1) or more wholly-owned Affiliates or Approved Funds of such Lender (provided, however, that, if

such Affiliate is not a financial institution, such Lender shall be obligated to repurchase such assignment if such Affiliate is unable to honor its obligations hereunder), or (B) 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 (provided, however, that

no such assignment shall relieve such Lender from its obligations hereunder).

(c) Each of the Lenders may at any time enter into assignment agreements or participations with one or more other Lenders, Approved Funds or other Persons pursuant to which each Lender may assign or participate its interest under this Agreement and the other Loan Documents, including, its interest in any particular Advance or portion thereof; provided, however, that

(1) all assignments (other than assignments described in Section 11.5(b) hereof) shall be in minimum principal amounts of the lesser of (X) \$5,000,000, and (Y) the amount of such Lender's Commitment (in a single assignment only), and (2) all assignments (other than assignments described in Section 11.5(b) hereof) and participations hereunder shall be subject to the following additional terms and conditions:

(i) No assignment (except assignments permitted in Section 11.5(b) hereof) shall be sold without the prior consent of the Administrative Agent and prior to the occurrence and continuation of an Event of Default, the consent of the Borrower, which consents shall not be unreasonably withheld;

(ii) Any Person purchasing a participation or an assignment of any portion of the Loans from any Lender shall be required to represent and warrant that its purchase shall not constitute a "prohibited transaction" (as defined in Section 4.1(m) hereof);

(iii) The Borrower, the Lenders, and the Administrative Agent agree that assignments permitted hereunder (including the assignment of any Advance or portion thereof) may be made with all voting rights, and shall be made pursuant to an Assignment and Assumption Agreement substantially in the form of Exhibit L attached hereto. An administrative fee of \$3,500

shall be payable to the Administrative Agent by the assigning Lender at the time of any assignment under this Section 11.5(c);

(iv) No participation agreement shall confer any rights under this Agreement or any other Loan Document to any purchaser thereof, or relieve any issuing Lender from any of its obligations under this Agreement, and all actions hereunder shall be conducted as if no such participation had been granted; provided, however, that any participation

agreement may confer on the participant the right to approve or disapprove decreases in the interest rate, increases in the principal amount of the Loans participated in by such participant, decreases in fees, extensions of the Maturity Date or other principal payment date for the Loans or of the scheduled reduction of the Commitment and releases of Collateral;

(v) Each Lender agrees to provide the Administrative Agent and the Borrower with prompt written notice of any issuance of assignments of its interests hereunder;

(vi) No assignment, participation or other transfer of any rights hereunder or under the Notes shall be effected that would result in any interest requiring registration under the Securities Act of 1933, as amended, or qualification under any state securities law;

(vii) No such assignment may be made to any bank or other financial institution (x) with respect to which a receiver or conservator (including, without limitation, the Federal Deposit Insurance Corporation, the Resolution Trust Company or the Office of Thrift Supervision) has been appointed or (y) that is not "adequately capitalized" (as such term is defined in Section 131(b)(1)(B) of the Federal Deposit Insurance Corporation Improvement Act as in effect on the Agreement Date); and

(viii) If applicable, each Lender shall, and shall cause each of its assignees to, provide to the Administrative Agent on or prior to the effective date of any assignment an appropriate Internal Revenue Service form as required by Applicable Law supporting such Lender's or assignee's position that no withholding by the Borrower or the Administrative Agent for U.S. income tax payable by such Lender or assignee in respect of amounts received by it hereunder is required. For

purposes of this Agreement, an appropriate Internal Revenue Service form shall mean Form 1001 (Ownership Exemption or Reduced Rate Certificate of the U.S. Department of Treasury), or Form 4224 (Exemption from Withholding of Tax on Income Effectively Connected with the Conduct of a Trade or Business in the United States), or any successor or related forms adopted by the relevant U.S. taxing authorities.

(d) Except as specifically set forth in Section 11.5(b) or (c) hereof, nothing in this Agreement or the Notes, expressed or implied, is intended to or shall confer on any Person other than the respective parties hereto and thereto and their successors and assignees permitted hereunder and thereunder any benefit or any legal or equitable right, remedy or other claim under this Agreement or the Notes.

(e) In the case of any participation, all amounts payable by the Borrower under the Loan Documents shall be calculated and made in the manner and to the parties hereto as if no such participation had been sold.

(f) The provisions of this Section 11.5 shall not apply to any purchase of participations among the Lenders pursuant to Section 2.11 hereof.

(g) Any Lender making an assignment hereunder shall cause any assignee thereof to agree to be bound by all terms of the Intercreditor Agreement.

(h) The Administrative Agent, acting, for this purpose only, as agent of the Borrower shall maintain, at no extra charge to the Borrower, a register (the "Register") at the address to which notices to the Administrative Agent are

to be sent under Section 11.1 hereof on which Register the Administrative Agent shall enter the name, address and taxpayer identification number (if provided) of the registered owner of the Loans evidenced by a Registered Note or, upon the request of the registered owner, for which a Registered Note has been requested. A Registered Note and the Loans evidenced thereby may be assigned or otherwise transferred in whole or in part only by registration of such assignment or transfer of such Registered Note and the Loans evidenced thereby on the Register. Any assignment or transfer of all or part of such Loans and the Registered Note evidencing the same shall be registered on the Register only upon compliance with the other provisions of this Section 11.5 and surrender for registration of assignment or transfer of the Registered Note evidencing such Loans, duly endorsed by (or accompanied by a written instrument of assignment or transfer duly executed by) the Registered Noteholder thereof, and thereupon one or more new Registered Notes in the same aggregate principal amount shall be issued to the designated assignee(s) or transferee(s) and, if less than the aggregate principal amount of such Registered Notes is thereby transferred, the assignor or transferor. Prior to the due

presentment for registration of transfer of any Registered Note, the Borrower and the Administrative Agent shall treat the Person in whose name such Loans and the Registered Note evidencing the same is registered as the owner thereof for the purpose of receiving all payments thereon and for all other purposes, notwithstanding any notice to the contrary.

(i) The Register shall be available for inspection by the Borrower and any Lender at any reasonable time during the Administrative Agent's regular business hours upon reasonable prior notice.

(j) Notwithstanding any other provision in this Agreement, any Lender that is a fund that invests in bank loans may, without the consent of the Administrative Agent or the Borrower, pledge all or any portion of its rights under, and interest in, this Agreement and the Notes to any trustee or to any other representative of holders of obligations owed, or securities issued, by such fund as security for such obligations or securities; provided, however, -----
that any transfer to any Person upon the enforcement of such pledge or security interest may only be made subject to the assignment provisions of this Section 11.5.

Section 11.6 Accounting Principles. All references in this Agreement to -----

GAAP shall be to such principles as in effect from time to time. All accounting terms used herein without definition shall be used as defined under GAAP. All references to the financial statements of the Borrower and to its Annualized Operating Cash Flow, Total Debt, Interest Expense, and other such terms shall be deemed to refer to such items of the Borrower and its Restricted Subsidiaries, on a fully consolidated basis. The Borrower shall deliver to the Lenders at the same time as the delivery of any quarterly or annual financial statements required pursuant to Section 6.1 or 6.2 hereof, as applicable, (a) a description in reasonable detail of any material variation between the application of GAAP employed in the preparation of such statements and the application of GAAP employed in the preparation of the next preceding quarterly or annual financial statements, as applicable, and (b) reasonable estimates of the differences between such statements arising as a consequence thereof. If, within thirty (30) days after the delivery of the quarterly or annual financial statements referred to in the immediately preceding sentence, the Majority Lenders shall object in writing to the Borrower's determining compliance hereunder on such basis, (1) calculations for the purposes of determining compliance hereunder shall be made on a basis consistent with those used in the preparation of the latest financial statements as to which such objection shall not have been made, or (2) if requested by the Borrower, the Majority Lenders will negotiate in good faith to amend the covenants herein to give effect to the changes in GAAP in a manner consistent with this Agreement (and so long as the Borrower complies in good faith with the provisions of this Section 11.6, no Default or Event of Default shall occur hereunder solely as a result of such changes in GAAP).

Section 11.7 Counterparts. This Agreement may be executed in any number

of counterparts, each of which shall be deemed to be an original, but all such separate counterparts shall together constitute but one and the same instrument.

Section 11.8 Governing Law. This Agreement and the Notes shall be

construed in accordance with and governed by the internal laws of the State of New York applicable to agreements made and to be performed in the State of New York. If any action or proceeding shall be brought by the Administrative Agent or any Lender hereunder or under any other Loan Document in order to enforce any right or remedy under this Agreement or under any Note or any other Loan Document, the Borrower hereby consents and will, and the Borrower will cause each Restricted Subsidiary to, submit to the jurisdiction of any state or federal court of competent jurisdiction sitting within the area comprising the Southern District of New York on the date of this Agreement. The Borrower, for itself and on behalf of its Restricted Subsidiaries, hereby agrees that, to the extent permitted by Applicable Law, service of the summons and complaint and all other process which may be served in any such suit, action or proceeding may be effected by mailing by registered mail a copy of such process to the offices of the Borrower at the address given in Section 11.1 hereof and that personal service of process shall not be required. Nothing herein shall be construed to prohibit service of process by any other method permitted by law, or the bringing of any suit, action or proceeding in any other jurisdiction. The Borrower agrees that final judgment in such suit, action or proceeding shall be conclusive and may be enforced in any other jurisdiction by suit on the judgment or in any other manner provided by Applicable Law.

Section 11.9 Severability. Any provision of this Agreement which is

prohibited or unenforceable in any jurisdiction shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof in that jurisdiction or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 11.10 Interest.

(a) In no event shall the amount of interest due or payable hereunder or under the Notes exceed the maximum rate of interest allowed by Applicable Law, and in the event any such payment is inadvertently made by the Borrower or inadvertently received by the Administrative Agent or any Lender, then such excess sum shall be credited as a payment of principal, unless the Borrower shall notify the Administrative Agent or such Lender, in writing, that it elects to have such excess sum returned forthwith. It is the express intent hereof that the Borrower not pay and the Administrative Agent and the Lenders not receive, directly or indirectly in any manner whatsoever, interest in excess of that which may legally be paid by the Borrower under Applicable Law.

(b) Notwithstanding the use by the Lenders of the Base Rate and the LIBOR as reference rates for the determination of interest on the Loans, the Lenders shall be under no obligation to obtain funds from any particular source in order to charge interest to the Borrower at interest rates related to such reference rates.

Section 11.11 Table of Contents and Headings. The Table of Contents and

the headings of the various subdivisions used in this Agreement are for convenience only and shall not in any way modify or amend any of the terms or provisions hereof, nor be used in connection with the interpretation of any provision hereof.

Section 11.12 Amendment and Waiver. Neither this Agreement nor any Loan

Document nor any term hereof or thereof may be amended orally, nor may any provision hereof or thereof be waived orally but only by an instrument in writing signed by or at the direction of the Majority Lenders and, in the case of an amendment, by the Borrower, except that in the event of (a) any increase in the amount of any Lender's portion of the Commitment; (b) any delay or extension in the terms of repayment of the Loans provided in Section 2.4 hereof; (c) any reduction in principal, interest or fees due hereunder or postponement of the payment thereof without a corresponding payment of such principal, interest or fee amount by the Borrower; (d) any release of any portion of the Collateral for the Loans, except under Section 7.4 hereof; (e) any waiver of any Default due to the failure by the Borrower to pay any sum due to any of the Lenders hereunder; (f) any release of any Guaranty of all or any portion of the Obligations, except in connection with a merger, sale or other disposition otherwise permitted hereunder (in which case, such release shall require no further approval by the Lenders); (g) any amendment to the pro rata treatment of the Lenders set forth in Section 2.8 hereof; or (h) any amendment of this Section 11.12, of the definition of Majority Lenders, or of any Section herein to the extent that such Section requires action by all Lenders, any amendment or waiver or consent may be made only by an instrument in writing signed by each of the Lenders and, in the case of an amendment, by the Borrower. Any amendment to any provision hereunder governing the rights, obligations, or liabilities of the Administrative Agent in its capacity as such, may be made only by an instrument in writing signed by such affected Person and by each of the Lenders. The parties further agree that so long as the ATS Facility A Loan Agreement and the ATS Facility B Loan Agreement remain in effect, certain amendments hereunder will require the approval of the Required Lenders under such Agreements.

Section 11.13 Entire Agreement. Except as otherwise expressly provided

herein, this Agreement, the other Loan Documents, and the other documents described or contemplated herein or therein will embody the entire agreement and understanding among the parties hereto and thereto and supersede all prior agreements and understandings relating to the subject matter hereof and thereof.

Section 11.14 Other Relationships. No relationship created hereunder or

under any other Loan Document shall in any way affect the ability of the Administrative Agent and each Lender to enter into or maintain business relationships with the Borrower or any of its Affiliates beyond the relationships specifically contemplated by this Agreement and the other Loan Documents.

Section 11.15 Directly or Indirectly. If any provision in this Agreement

refers to any action taken or to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person, whether or not expressly specified in such provision.

Section 11.16 Reliance on and Survival of Various Provisions. All

covenants, agreements, statements, representations and warranties made herein or in any certificate delivered pursuant hereto shall (a) be deemed to have been relied upon by the Administrative Agent and each of the Lenders notwithstanding any investigation heretofore or hereafter made by them and (b) survive the execution and delivery of the Notes and shall continue in full force and effect so long as any Note is outstanding and unpaid. Any right to indemnification hereunder, including, without limitation, rights pursuant to Sections 2.7, 2.9, 5.11, 10.3 and 11.2 hereof, shall survive the termination of this Agreement and the payment and performance of all Obligations.

Section 11.17 Senior Debt. The Obligations are secured by the Security

Documents and are intended by the parties hereto to be in parity with the Interest Hedge Agreements and senior in right of payment to all other Indebtedness of the Borrower.

Section 11.18 Obligations. The obligations of the Administrative Agent

and each of the Lenders hereunder are several, not joint.

Section 11.19 Confidentiality. The Lenders shall hold all non-public,

proprietary or confidential information (which has been identified as such by the Borrower) obtained pursuant to the requirements of this Agreement in accordance with their customary procedures for handling confidential information of this nature and in accordance with safe and sound banking practices; provided, however, that the Lenders may make disclosure of any such information

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to their examiners, Affiliates, outside auditors, counsel, consultants, appraisers and other professional advisors in connection with this Agreement or as reasonably required by any proposed syndicate member or any proposed transferee or participant in connection with the contemplated transfer of any Note or participation therein or as required or requested by any governmental authority or representative thereof or in connection with the enforcement hereof or of any Loan Document or related document or

pursuant to legal process or with respect to any litigation between or among the Borrower and any of the Lenders, so long as the person (other than any examiners) receiving such information is advised of the provisions of this Section 11.19 and agrees to be bound thereby. In no event shall any Lender be obligated or required to return any materials furnished to it by the Borrower. The foregoing provisions shall not apply to a Lender with respect to information that (i) is or becomes generally available to the public (other than through such Lender), (ii) is already in the possession of such Lender on a nonconfidential basis, or (iii) comes into the possession of such Lender in a manner not known to such Lender to involve a breach of a duty of confidentiality owing to the Borrower.

ARTICLE 12 Waiver of Jury Trial

Section 12.1 Waiver of Jury Trial. THE BORROWER, FOR ITSELF AND ON BEHALF

OF ITS RESTRICTED SUBSIDIARIES, AND THE ADMINISTRATIVE AGENT AND THE LENDERS, HEREBY AGREE, TO THE EXTENT PERMITTED BY LAW, TO WAIVE AND HEREBY WAIVE THE RIGHT TO A TRIAL BY JURY IN ANY COURT AND IN ANY ACTION OR PROCEEDING OF ANY TYPE IN WHICH THE BORROWER, ANY RESTRICTED SUBSIDIARY, ANY OF THE LENDERS, THE ADMINISTRATIVE AGENT OR ANY OF THEIR RESPECTIVE SUCCESSORS OR ASSIGNS IS A PARTY, AS TO ALL MATTERS AND THINGS ARISING DIRECTLY OR INDIRECTLY OUT OF THIS AGREEMENT, ANY OF THE NOTES OR THE OTHER LOAN DOCUMENTS AND THE RELATIONS AMONG THE PARTIES LISTED IN THIS SECTION 12.1. EXCEPT AS PROHIBITED BY LAW, EACH PARTY TO THIS AGREEMENT WAIVES ANY RIGHTS IT MAY HAVE TO CLAIM OR RECOVER IN ANY LITIGATION REFERRED TO IN THIS SECTION, ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES OR ANY DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES. EACH PARTY TO THIS AGREEMENT (A) CERTIFIES THAT NEITHER ANY REPRESENTATIVE, AGENT OR ATTORNEY OF THE ADMINISTRATIVE AGENT OR ANY LENDER HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE ADMINISTRATIVE AGENT OR ANY LENDER WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVERS AND (B) ACKNOWLEDGES THAT IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND EACH OTHER LOAN DOCUMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION. THE PROVISIONS OF THIS SECTION HAVE BEEN FULLY DISCLOSED BY AND TO THE PARTIES AND THE PROVISIONS SHALL BE SUBJECT TO NO EXCEPTIONS. NO PARTY HAS IN ANY WAY AGREED WITH OR REPRESENTED TO ANY OTHER PARTY THAT THE

PROVISIONS OF THIS SECTION WILL NOT BE FULLY ENFORCED IN ALL INSTANCES.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement or caused it to be executed by their duly authorized officers, all as of the day and year first above written.

BORROWER: AMERICAN TOWER CORPORATION

By: _____
Title: _____

ADMINISTRATIVE AGENT
AND LENDERS: TORONTO DOMINION (TEXAS), INC., as Administrative Agent
for itself and for the Lenders and as a Lender

By: _____
Title: _____

BANK OF MONTREAL, CHICAGO BRANCH, as a Lender

By: _____
Title: _____

GENERAL ELECTRIC CAPITAL CORPORATION, as a Lender

By: _____
Title: _____

ING HIGH INCOME PRINCIPAL PRESERVATION FUND HOLDINGS,
LDC

By ING Capital Advisors, Inc., as Investment Advisors,
Inc., as a Lender

By:_____

Title:_____

SENIOR HIGH INCOME PORTFOLIO, INC., as a Lender

By:_____

Title:_____

DEBT STRATEGIES FUND, INC., as a Lender

By:_____

Title:_____

DEBT STRATEGIES FUND II, INC., as a Lender

By:_____

Title:_____

CHASE SECURITIES, INC., as Agent for The Chase
Manhattan Bank, as a Lender

By: _____
Title: _____

OCTAGON LOAN TRUST, by Octagon Credit Investors, as
Manager, as a Lender

By: _____
Title: _____

UNION BANK OF CALIFORNIA, N.A., as a Lender

By: _____
Title: _____

CREDIT LYONNAIS NEW YORK BRANCH, as a Lender

By: _____
Title: _____

ATS FACILITY A
LOAN AGREEMENT

AMONG

AMERICAN TOWER SYSTEMS, L.P.
AND
AMERICAN TOWER SYSTEMS (DELAWARE), INC.,

AS BORROWERS;

THE FINANCIAL INSTITUTIONS WHOSE NAMES APPEAR
AS BANKS ON THE SIGNATURE PAGES HEREOF;

AND

TORONTO DOMINION (TEXAS), INC.,
AS ADMINISTRATIVE AGENT
FOR THE BANKS

Dated as of June 16, 1998

Powell, Goldstein, Frazer & Murphy LLP
Atlanta, Georgia

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ATS FACILITY A
LOAN AGREEMENT
AMONG
AMERICAN TOWER SYSTEMS, L.P.
AND
AMERICAN TOWER SYSTEMS (DELAWARE), INC.,
AS BORROWERS;
THE FINANCIAL INSTITUTIONS WHOSE NAMES APPEAR
AS BANKS ON THE SIGNATURE PAGES HEREOF;
AND
TORONTO-DOMINION (TEXAS), INC.,
AS ADMINISTRATIVE AGENT
FOR THE BANKS

WHEREAS, ATS (as defined below) and ATS (Delaware) (as defined below) have requested and the Banks have agreed, subject to the terms and conditions set forth herein, to make available to ATS and ATS (Delaware), a term credit facility in the amount of \$250,000,000 and a revolving credit facility in the amount of \$400,000,000;

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

ARTICLE 1 Definitions

For the purposes of this Agreement:

"Acquisition" shall mean (whether by purchase, lease, exchange, issuance

of stock or other equity or debt securities, merger, reorganization or any other method) (i) any acquisition by either Borrower or any of the Restricted Subsidiaries of any other Person, which Person shall then become consolidated with either Borrower or any of the Restricted Subsidiaries in accordance with GAAP; (ii) any acquisition by either Borrower or any of the Restricted Subsidiaries of all or any substantial part of the assets of any other Person; or (iii) any acquisition by either Borrower or any of the Restricted Subsidiaries of any business (or related contracts) primarily involving the management of communications sites, towers or other facilities for third parties, other than any such Acquisition which shall be made by, or of, any Person which shall have been designated and, to the extent required hereby, approved as an Unrestricted Subsidiary.

"Acquisition Operating Cash Flow" shall mean in the case of an Acquisition

permitted hereunder, Operating Cash Flow (New Towers), Operating Cash Flow (Towers) and Operating Cash Flow (Other Business), as applicable, of the Borrowers and their Restricted

Subsidiaries for the period during which such Acquisition occurs, adjusted to give effect to such Acquisition, as if such Acquisition had occurred on the first day of such period, by excluding the Operating Cash Flow (New Towers), Operating Cash Flow (Towers) and Operating Cash Flow (Other Business), as applicable, of such Acquisition during such period prior to and including the date of such Acquisition and adding to the Operating Cash Flow (New Towers), Operating Cash Flow (Towers) and Operating Cash Flow (Other Business), as applicable, of the Borrowers and their Restricted Subsidiaries, if positive, or subtracting from such Operating Cash Flow (New Towers), Operating Cash Flow (Towers) and Operating Cash Flow (Other Business), as applicable, if negative, the product of (i) the actual Operating Cash Flow (New Towers), Operating Cash Flow (Towers) and Operating Cash Flow (Other Business), as applicable, of such Acquisition for that portion of such period from the date of such Acquisition to the last day of such period, multiplied by (ii) a fraction the numerator of which is the number of calendar days in such period and the denominator of which is the number of days in such period from and including the date following such Acquisition through the last day of such period.

"Administrative Agent" shall mean Toronto Dominion (Texas), Inc., in its

capacity as Administrative Agent for the Banks or any successor Administrative Agent appointed pursuant to Section 9.12 hereof.

"Administrative Agent's Office" shall mean the office of the Administrative

Agent located at 909 Fannin Street, Suite 1700, Houston Texas 77010, or such other office as may be designated pursuant to the provisions of Section 11.1 hereof.

"Advance" shall mean amounts advanced by the Banks to either Borrower

pursuant to Article 2 hereof on the occasion of any borrowing and having the same Interest Rate Basis and Interest Period; and "Advances" shall mean more

than one Advance.

"Affiliate" shall mean, with respect to a Person, any other Person directly

or indirectly controlling, controlled by, or under common control with, such first Person. For purposes of this definition, "control", when used with respect to any Person, includes, without limitation, the direct or indirect beneficial ownership of more than ten percent (10%) of the voting securities or voting equity of such Person or the power to direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

"Agreement" shall mean this ATS Facility A Loan Agreement, as amended,

supplemented, restated or otherwise modified from time to time.

"Agreement Date" shall mean the date as of which this Agreement is dated.

"American Radio Systems" shall mean American Radio Systems Corporation,

a Delaware corporation.

"Annualized Operating Cash Flow" shall mean (a) as of any calculation date

the sum of (A) the product of (1) Operating Cash Flow (Towers) for the fiscal
quarter-end being tested, or the most recently completed fiscal quarter
immediately preceding such calculation date, as the case may be, times (2) four

(4); (B) the product of (1) Operating Cash Flow (New Towers) for the calendar
month-end being tested, or the most recently completed calendar month
immediately preceding such calculation date, as the case may be, times (2)

twelve (12); and (C) Operating Cash Flow (Other Business) for the four fiscal
quarter period end being tested or the most recently completed four (4) fiscal
quarters immediately preceding such calculation date, as the case may be, minus

(b) corporate overhead (exclusive of amortization and depreciation) of the
Borrowers and their Restricted Subsidiaries (on a consolidated basis) for the
twelve (12) calendar month period then ended or ending immediately prior to the
calendar date, as the case may be.

"Applicable Law" shall mean, in respect of any Person, all provisions of

constitutions, statutes, rules, regulations and orders of governmental bodies or
regulatory agencies applicable to such Person, including, without limiting the
foregoing, the Licenses, the Communications Act, zoning ordinances and all
Environmental Laws, and all orders, decisions, judgments and decrees of all
courts and arbitrators in proceedings or actions to which the Person in question
is a party or by which it is bound.

"Applicable Margin" shall mean the interest rate margin applicable to Base

Rate Advances and LIBOR Advances, as the case may be, in each case determined in
accordance with Section 2.3(f) hereof.

"Applicable Margin Ratio" shall mean, as of any date, the ratio of (a) the

Senior Debt on such date to (b) Annualized Operating Cash Flow.

"Approved Fund" means, with respect to any Bank that is a fund that invites

in commercial loans, any other fund that invests in commercial loans and is
managed by the same investment advisor as such Bank or by an Affiliate of such
investment advisor.

"Assignment of General Partner Interests" shall mean that certain

Assignment of General Partner Interests, dated as of the even date herewith,
made by ATSC GP in favor of the Collateral Agent, substantially in the form of
Exhibit A attached hereto.

"Assignment of Limited Partner Interests" shall mean that certain

Assignment of Limited Partner Interests, dated as of the even date herewith,
made by ATSC LP in favor of the Collateral Agent, substantially in the form of
Exhibit B attached hereto.

"ATS" shall mean American Tower Systems, L.P., a Delaware limited partners

hip, and one of the Borrowers.

"ATS (Delaware)" shall mean American Tower Systems (Delaware), Inc., a

Delaware corporation, and one of the Borrowers.

"ATS Facility B Loan Agreement" shall mean that certain ATS Facility B Loan

Agreement, dated as of even date herewith among the Borrowers, the
Administrative Agent (as defined therein) and the financial institutions parties
thereto, providing for a 364-day revolving credit facility in the amount of
\$250,000,000 which, at the option of the Borrowers, may be extended to a term
credit facility.

"ATSC GP" shall mean ATSC GP Inc., a Delaware corporation, and a wholly-

owned subsidiary of ATSC Holding.

"ATSC Holding" shall mean ATSC Holding Inc., a Delaware corporation, and a

wholly-owned Subsidiary of the Parent.

"ATSC LP" shall mean ATSC LP Inc., a Delaware corporation, and a wholly-

owned Subsidiary of ATSC Operating.

"ATSC Operating" shall mean ATSC Operating Inc., a Delaware corporation, a

wholly-owned Subsidiary of ATS (Delaware).

"Authorized Signatory" shall mean such senior personnel of a Person as may

be duly authorized and designated in writing by such Person to execute
documents, agreements and instruments on behalf of such Person.

"Banks" shall mean the Persons whose names appear as "Banks" on the

signature pages hereof and any other Person which becomes a "Bank" hereunder
after the Agreement Date; and "Bank" shall mean any one of the foregoing Banks.

"Base Rate" shall mean, at any time, a fluctuating interest rate per annum

equal to the higher of (a) the rate of interest quoted from time to time by the
Administrative Agent as its "prime rate" or "base rate" or (b) the Federal Funds

Rate plus one-half of one percent (1/2%). The Base Rate is not necessarily the

lowest rate of interest charged by the Administrative Agent in connection with
extensions of credit.

"Base Rate Advance" shall mean an Advance which either Borrower requests to

be made as a Base Rate Advance or is reborrowed as a Base Rate Advance, in
accordance with the provisions of Section 2.2 hereof, and which shall be in a
principal amount of at least \$1,000,000 and in an integral multiple of \$500,000.

"Base Rate Basis" shall mean a simple interest rate equal to the sum of (i)

the Base Rate and (ii) the Applicable Margin applicable to Base Rate Advances.
The Base Rate Basis shall be adjusted automatically as of the opening of
business on the effective date of each

change in the Base Rate to account for such change, and shall also be adjusted to reflect changes of the Applicable Margin applicable to Base Rate Advances.

"Borrowers" shall mean, collectively, ATS and ATS (Delaware); and

"Borrower" shall mean either of the foregoing.

"Borrowers' Guarantees" shall mean, collectively, that certain Borrowers'

Guaranty (ATS (Delaware)) and Borrowers' Guaranty (ATS), dated as of the Agreement Date each substantially in the form of Exhibit C attached hereto.

"Business Day" shall mean a day on which banks and foreign exchange markets

are open for the transaction of business required for this Agreement in Houston, Texas, New York, New York and London, England, as relevant to the determination to be made or the action to be taken.

"Capital Expenditures" shall mean, for any period, expenditures (including,

without limitation, the aggregate amount of Capitalized Lease Obligations required to be paid during such period) incurred by any Person to acquire or construct fixed assets, plant and equipment (including, without limitation, renewals, improvements and replacements, but excluding repairs and maintenance) during such period, that would be required to be capitalized on the balance sheet of such Person in accordance with GAAP.

"Capital Stock" shall mean, as applied to any Person, any capital stock of

such Person, regardless of class or designation, and all warrants, options, purchase rights, conversion or exchange rights, voting rights, calls or claims of any character with respect thereto.

"Capitalized Lease Obligation" shall mean that portion of any obligation of

a Person as lessee under a lease which at the time would be required to be capitalized on the balance sheet of such lessee in accordance with GAAP.

"Certificate of Financial Condition" shall mean certificates, substantially

in the form of Exhibit D attached hereto, signed by the chief financial officer

of each Borrower, as appropriate, together with any schedules, exhibits or annexes appended thereto.

"Change of Control" shall mean (a) the failure of the Parent to own,

directly or indirectly, one hundred percent (100%) of the ownership interests of ATS and ATS (Delaware), (b) the failure of ATS (Delaware) to own, directly or indirectly, one hundred percent (100%) of the ownership interests of ATSC Operating (unless such Persons are merged into ATS (Delaware)), (c) the sale, lease, transfer, in one or a series of related transactions, of all or substantially all of either Borrower's assets to any Person or group (as such term is used in Section 13(d)(3) of the Exchange Act) other than to the other Borrower or various Persons in the chain (i.e., any wholly-owned direct or indirect Subsidiary of ATS (Delaware)), (d) the adoption of a plan relating to the liquidation or dissolution of the Parent,

(e) the acquisition, directly or indirectly, by any Person or group (as such term is used in Section 13(d)(3) of the Exchange Act) of forty percent (40%) or more of the voting power of the voting stock of the Parent by way of merger or consolidation or otherwise and such Persons own more voting power than Principal Shareholders, or (f) the Continuing Directors cease for any reason to constitute a majority of the directors of the Parent then in office.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

"Collateral" shall mean any property of any kind constituting collateral for the Obligations under any of the Security Documents.

"Collateral Agent" shall mean Toronto Dominion (Texas), Inc., acting as Collateral Agent under the Security Documents and shall include any successor Collateral Agent appointed pursuant to Section 9.14 hereof.

"Commitments" shall mean, collectively, the Revolving Loan Commitment and the Term Loan Commitment.

"Commitment Ratios" shall mean the percentages in which the Banks are severally bound to fund their respective portion of Advances to the Borrowers under the Commitments, which are set forth below (together with dollar amounts) (and which may change from time to time in accordance with Section 11.5 hereof):

Bank	Revolving Loan Commitment	Revolving Loan Commitment Ratio	Term Loan Commitment	Term Loan Commitment Ratio	Total Dollar Commitment
Toronto Dominion (Texas), Inc.	\$ 25,333,333.33	6.33333334%	\$ 15,833,333.34	6.33333334%	\$ 41,166,666.67
The Chase Manhattan Bank	\$ 20,888,888.90	5.22222223%	\$ 13,055,555.56	5.22222223%	\$ 33,944,444.46
The Bank of New York	\$ 20,888,888.90	5.22222223%	\$ 13,055,555.56	5.22222223%	\$ 33,944,444.46
The Bank of Nova Scotia	\$ 19,111,111.11	4.77777778%	\$ 11,944,444.45	4.77777778%	\$ 31,055,555.56
Barclays Bank, plc	\$ 19,111,111.11	4.77777778%	\$ 11,944,444.45	4.77777778%	\$ 31,055,555.56
Credit Lyonnais New York Branch	\$ 19,111,111.11	4.77777778%	\$ 11,944,444.45	4.77777778%	\$ 31,055,555.56
Credit Suisse First Boston	\$ 19,111,111.11	4.77777778%	\$ 11,944,444.45	4.77777778%	\$ 31,055,555.56
Fleet National Bank	\$ 19,111,111.11	4.77777778%	\$ 11,944,444.45	4.77777778%	\$ 31,055,555.56
General Electric Capital Corporation	\$ 19,111,111.11	4.77777778%	\$ 11,944,444.45	4.77777778%	\$ 31,055,555.56
Key Corporate Capital Inc.	\$ 19,111,111.11	4.77777778%	\$ 11,944,444.45	4.77777778%	\$ 31,055,555.56
Union Bank of California, N.A.	\$ 19,111,111.11	4.77777778%	\$ 11,944,444.45	4.77777778%	\$ 31,055,555.56
Bank of America National Trust and Savings Association	\$ 15,555,555.55	3.88888889%	\$ 9,722,222.22	3.88888889%	\$ 25,277,777.77
Bank of Montreal	\$ 15,555,555.55	3.88888889%	\$ 9,722,222.22	3.88888889%	\$ 25,277,777.77
Bankers Trust Company	\$ 15,555,555.55	3.88888889%	\$ 9,722,222.22	3.88888889%	\$ 25,277,777.77

Bank	Revolving Loan Commitment	Revolving Loan Commitment Ratio	Term Loan Commitment	Term Loan Commitment Ratio	Total Dollar Commitment
Lehman Commercial Paper Inc.	\$ 15,555,555.55	3.88888889%	\$ 9,722,222.22	3.88888889%	\$ 25,277,777.77
Morgan Stanley Senior Funding, Inc.	\$ 15,555,555.55	3.88888889%	\$ 9,722,222.22	3.88888889%	\$ 25,277,777.77
CoBank, ACB	\$ 11,111,111.11	2.77777778%	\$ 6,944,444.45	2.77777778%	\$ 18,055,555.56
PNC Bank, National Association	\$ 11,111,111.11	2.77777778%	\$ 6,944,444.45	2.77777778%	\$ 18,055,555.56
Societe Generale, New York Branch	\$ 11,111,111.11	2.77777778%	\$ 6,944,444.45	2.77777778%	\$ 18,055,555.56
Dresdner Bank AG, New York and Grand Cayman Branches	\$ 8,888,888.88	2.22222223%	\$ 5,555,555.55	2.22222223%	\$ 14,444,444.43
BankBoston, N.A.	\$ 6,666,666.67	1.66666666%	\$ 4,166,666.66	1.66666666%	\$ 10,833,333.33
Crestar Bank	\$ 6,666,666.67	1.66666666%	\$ 4,166,666.66	1.66666666%	\$ 10,833,333.33
The Long-Term Credit Bank of Japan,, Ltd., New York Branch	\$ 6,666,666.67	1.66666666%	\$ 4,166,666.66	1.66666666%	\$ 10,833,333.33
Mellon Bank, N.A.	\$ 6,666,666.67	1.66666666%	\$ 4,166,666.66	1.66666666%	\$ 10,833,333.33
Mercantile Bank National Association	\$ 6,666,666.67	1.66666666%	\$ 4,166,666.66	1.66666666%	\$ 10,833,333.33
First National Bank of Maryland	\$ 6,666,666.67	1.66666666%	\$ 4,166,666.66	1.66666666%	\$ 10,833,333.33
National Bank of Canada	\$ 6,666,666.67	1.66666666%	\$ 4,166,666.66	1.66666666%	\$ 10,833,333.33
State Street Bank and Trust Company	\$ 6,666,666.67	1.66666666%	\$ 4,166,666.66	1.66666666%	\$ 10,833,333.33
US Trust	\$ 6,666,666.67	1.66666666%	\$ 4,166,666.66	1.66666666%	\$ 10,833,333.33
=====	=====	=====	=====	=====	=====
TOTAL	\$400,000,000.00	100%	\$250,000,000.00	100%	\$650,000,000.00

"Communications Act" shall mean the Communications Act of 1934, and any

similar or successor federal statute, and the rules and regulations of the FCC thereunder, all as the same may be in effect from time to time.

"Continuing Director" shall mean any member of the Board of Directors of

the Parent who (i) is a member of that Board of Directors on the Agreement Date or (ii) was nominated for election by either (a) one or more of the Principal Shareholders (or a Related Party thereof) or (b) the Board of Directors a majority of whom were directors at the Agreement Date or whose election or nomination for election was previously approved by one or more of the Principal Shareholders or such directors.

"Default" shall mean any Event of Default, and any of the events specified

in Section 8.1 hereof, regardless of whether there shall have occurred any passage of time or giving of notice, or both, that would be necessary in order to constitute such event an Event of Default.

"Default Rate" shall mean a simple per annum interest rate equal to the sum

of (a) the Base Rate, (b) the Applicable Margin for Base Rate Advances, and (c) two percent (2%).

"Employee Pension Plan" shall mean any Plan which is maintained by either

Borrower, any of their Subsidiaries or any ERISA Affiliate.

"Environmental Laws" shall mean all applicable federal, state or local

laws, statutes, rules, regulations or ordinances, codes, common law, consent agreements, orders, decrees, judgments or injunctions issued, promulgated, approved or entered thereunder relating to public health, safety or the pollution or protection of the environment, including, without limitation, those relating to releases, discharges, emissions, spills, leaching, or disposals to air, water, land or ground water, to the withdrawal or use of ground water, to the use, handling or disposal of polychlorinated biphenyls, asbestos or urea formaldehyde, to the treatment, storage, disposal or management of hazardous substances (including, without limitation, petroleum, crude oil or any fraction thereof, or other hydrocarbons), pollutants or contaminants, to exposure to toxic, hazardous or other controlled, prohibited, or regulated substances, including, without limitation, any such provisions under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. (S)9601 et seq.), or the Resource Conservation and Recovery Act of 1976, as amended (42 U.S.C. (S)6901 et seq.).

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as

in effect from time to time.

"ERISA Affiliate" shall mean any Person, including a Subsidiary or an

Affiliate of either Borrower, that is a member of any group of organizations of which either Borrower, as the case may be, is a member and which is covered by a Plan.

"Eurodollar Reserve Percentage" shall mean the percentage which is in

effect from time to time under Regulation D of the Board of Governors of the Federal Reserve System, as such regulation may be amended from time to time, as the maximum reserve requirement applicable with respect to Eurocurrency Liabilities (as that term is defined in Regulation D), whether or not any Bank has any such Eurocurrency Liabilities subject to such reserve requirement at that time.

"Event of Default" shall mean any of the events specified in Section 8.1

hereof; provided, however, that any requirement for notice or lapse of time, or

both, has been satisfied.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

"Excess Cash Flow" shall mean, as of the end of any fiscal year of the

Borrower based on the audited financial statements provided under Section 6.2 hereof for such fiscal year, the excess, if any, without duplication, of (a) Operating Cash Flow for such fiscal year, minus (b) the sum of the following:

(i) payments made with respect to Capital Expenditures (other than

Capital Expenditures funded out of the Net Proceeds of any asset sale), by the Borrowers and their Restricted Subsidiaries during such fiscal year; (ii) repayments of the Revolving Loans resulting from reductions of the Revolving Loan Commitment (which shall include, without limitation, any reductions set forth in Section 2.5(a) hereof), scheduled repayments of the Term Loan and scheduled repayments of amounts outstanding under the ATS Facility B Loan Agreement; (iii) cash taxes paid by the Borrowers and their Restricted Subsidiaries during such fiscal year; (iv) Interest Expense during such fiscal year; (v) principal payments made in respect of Indebtedness for Money Borrowed (other than with respect to the Loans, the ATS Facility B Loan Agreement and loans to Restricted Subsidiaries) paid by the Borrowers and their Restricted Subsidiaries during such fiscal year; and (vi) amounts distributed to the Parent pursuant to Section 7.7(c) hereof.

"Facility A Capital Raise Proceeds" shall mean product of (a) (i) at any

time when the Senior Leverage Ratio is greater than or equal to 5.00 to 1, one hundred percent (100%) of the net proceeds of any sale of the Capital Stock of the Parent or either Borrower or debt instruments or other securities of either Borrower or the Parent (other than (1) an amount not to exceed \$2,000,000 in the aggregate from the sale of securities in connection with any employee stock option plan of either Borrower or the Parent, (2) an amount equal to the amount required to redeem the Redeemable Pay-In-Kind Preferred Stock referred to in the definition of "Interim Financing" and to pay the fees and other costs and expenses associated with the Interim Financing, and (3) net proceeds received by the Borrowers from the proceeds of loans under the Parent Loan Agreement) or (ii) at any time when the Senior Leverage Ratio is less than 5.00 to 1, fifty percent (50%) of the net proceeds of any sale of the Capital Stock of the Parent or debt instruments or other securities of either Borrower or the Parent (other than an amount not to exceed \$2,000,000 in the aggregate from the sale of securities in connection with any employee stock option plan of either Borrower or the Parent), times (b) the ratio of (i) the Loans then outstanding (or the

Commitments if there are no Loans then outstanding) to (ii) the sum of (A) the Loans then outstanding (or the Commitments if there are no Loans then outstanding), and (B) the Facility B Loans then outstanding (or the Facility B Commitment if there are no Facility B Loans then outstanding).

"Facility A Excess Cash Flow" shall mean the product of (a) the product of

(i) Excess Cash Flow times (ii) fifty percent (50%), times (b) the ratio of (i)

the Loans then outstanding (or the Commitments if there are no Loans then outstanding) to (ii) the sum of (A) the Loans then outstanding (or the Commitments if there are no Loans then outstanding), and (B) the Facility B Loans then outstanding (or the Facility B Commitment if there are no Facility B Loans then outstanding).

"Facility A Net Proceeds" shall mean the product of (a) the Net Proceeds of

any sale or other disposition of assets permitted hereunder (other than sales or other dispositions of equipment in the ordinary course of business or sales to or among either Borrower or a Restricted Subsidiary), times (b) the ratio of (i)

the Loans then outstanding (or the

Commitments if there are no Loans then outstanding) to (ii) the sum of (a) the Loans then outstanding (or the Commitments if there are no Loans then outstanding), and (b) the Facility B Loans then outstanding (or the Facility B Commitment if there are no Facility B Loans then outstanding).

"Facility B Commitment" shall have the meaning ascribed to such term in the

ATS Facility B Loan Agreement.

"Facility B Loans" shall have the meaning ascribed to such term in the ATS

Facility B Loan Agreement.

"FCC" shall mean the Federal Communications Commission, or any other

similar or successor agency of the federal government administering the
Communications Act.

"Federal Funds Rate" shall mean, as of any date, the weighted average of

the rates on overnight federal funds transactions with the members of the
Federal Reserve System arranged by federal funds brokers, as published for such
day (or, if such day is not a Business Day, for the next preceding Business Day)
by the Federal Reserve Bank of New York or, if such rate is not so published for
any day which is a Business Day, the average of the quotations for such day on
such transactions received by the Administrative Agent from three (3) federal
funds brokers of recognized standing selected by the Administrative Agent.

"Fixed Charges" shall mean for the Borrowers and their Restricted

Subsidiaries, on a consolidated basis, the sum of (a) Interest Expense, (b)
commitment and other fees incurred in connection with this Agreement and the ATS
Facility B Loan Agreement, (c) all scheduled principal repayments with respect
to any Indebtedness for Money Borrowed, (d) taxes paid in cash, and (e) Capital
Expenditures made by the Borrowers, their Restricted Subsidiaries and the Parent
(other than from the reinvestment of asset sale proceeds and insurance proceeds,
to the extent permitted hereunder), in each case for the immediately preceding
twelve (12) calendar month period then ended, and in each case as calculated in
accordance with GAAP.

"Fixed Charges Coverage Ratio" shall mean, as of any calculation date, the

ratio of (a) the sum of (i) Annualized Operating Cash Flow as of the most
recently completed fiscal quarter, plus (ii) for all periods ending on or prior

to December 31, 2000, the sum of (A) the amount of unused Commitments as of such
date under this Agreement and the ATS Facility B Loan Agreement which could be
borrowed on such date in compliance with Section 7.8 hereof and (B) the net cash
proceeds of any equity issued, directly or indirectly, by either Borrower to the
Parent during such period (after deducting any portion thereof applied to the
Loans or the Facility B Loans) to (b) Fixed Charges.

"GAAP" shall mean, as in effect from time to time, generally accepted

accounting principles in the United States, consistently applied.

"Guaranty" or "Guaranteed," as applied to an obligation, shall mean and

include (a) a guaranty, direct or indirect, in any manner, of all or any part of such obligation, and (b) any agreement, direct or indirect, contingent or otherwise, the practical effect of which is to assure in any way the payment or performance (or payment of damages in the event of non-performance) of all or any part of such obligation, including, without limiting the foregoing, any reimbursement obligations as to amounts drawn down by beneficiaries of outstanding letters of credit or capital call requirements; provided, however,

that the term "Guarantee" shall not include guarantees entered into in the ordinary course of business, including, without limitation, the New Tower Operation Business, not involving Indebtedness for Money Borrowed.

"Indebtedness" shall mean, with respect to any Person, and without

duplication, (a) all items, except items of shareholders' and partners' equity or capital stock or surplus or general contingency or deferred tax reserves, which in accordance with GAAP would be included in determining total liabilities as shown on the liability side of a balance sheet of such Person, including, without limitation, with respect to any secured non-recourse obligations of such Person, the higher of the book value or fair market value of the property or asset securing such obligation (if less than the amount of such obligation), (b) all direct or indirect obligations of any other Person secured by any Lien to which any property or asset owned by such Person is subject, but only to the extent of the higher of the fair market value or the book value of the property or asset subject to such Lien (if less than the amount of such obligation), if the obligation secured thereby shall not have been assumed, (c) to the extent not otherwise included, all Capitalized Lease Obligations of such Person and all obligations of such Person with respect to leases constituting part of a sale and lease-back arrangement, (d) all reimbursement obligations with respect to outstanding letters of credit, and (e) to the extent not otherwise included, all obligations subject to Guaranties of such Person or its Subsidiaries, and (f) all obligations of such Person under Interest Hedge Agreements; provided,

however, that the Intracoastal Notes shall not be deemed to be, and shall be
- -----
excluded from, Indebtedness.

"Indebtedness for Money Borrowed" shall mean, with respect to any Person,

Indebtedness for money borrowed and Indebtedness represented by notes payable and drafts accepted representing extensions of credit, all obligations evidenced by bonds, debentures, notes or other similar instruments, all Indebtedness upon which interest charges are customarily paid (other than trade payables arising in the ordinary course of business, but only if and so long as such accounts are payable on customary trade terms), all Capitalized Lease Obligations, all reimbursement obligations with respect to outstanding letters of credit, all Indebtedness issued or assumed as full or partial payment for property or services (other than trade payables arising in the ordinary course of business, but only if and so long as such accounts are payable on customary trade terms), whether or not any such notes, drafts, obligations or Indebtedness represent Indebtedness for money borrowed, and, without duplication, Guaranties of any of the foregoing; provided, however, that the Intracoastal Notes shall not be

deemed to be, and shall be excluded from, Indebtedness. For purposes of

this definition, interest which is accrued but not paid on the scheduled due date for such interest shall be deemed Indebtedness for Money Borrowed.

"Indemnatee" shall have the meaning ascribed thereto in Section 5.11

hereof.

"Intercreditor Agreement" shall mean that certain Intercreditor Agreement

dated as of the even date herewith among the Banks, the Administrative Agent, the Administrative Agent and the Lenders under the Parent Loan Agreement, and the Administrative Agent and the Banks under the ATS Facility B Loan Agreement.

"Interest Coverage Ratio" shall mean, with respect to any period, the ratio

of (a) Annualized Operating Cash Flow to (b) Interest Expense.

"Interest Expense" shall mean, for any period, all cash interest expense

(including imputed interest with respect to Capitalized Lease Obligations) with respect to any Indebtedness for Money Borrowed of the Borrowers and their Restricted Subsidiaries and the Parent on a consolidated basis during such period pursuant to the terms of such Indebtedness for Money Borrowed, all as calculated in accordance with GAAP.

"Interest Hedge Agreements" shall mean the obligations of any Person

pursuant to any arrangement with any other Person whereby, directly or indirectly, such Person is entitled to receive from time to time periodic payments calculated by applying either a floating or a fixed rate of interest on a stated notional amount in exchange for periodic payments made by such Person calculated by applying a fixed or a floating rate of interest on the same notional amount and shall include, without limitation, interest rate swaps, caps, floors, collars and similar agreements.

"Interest Period" shall mean (a) in connection with any Base Rate Advance,

the period beginning on the date such Advance is made and ending on the last day of the calendar quarter in which such Advance is made, provided, however, that

if a Base Rate Advance is made on the last day of any calendar quarter, it shall have an Interest Period ending on, and its Payment Date shall be, the last day of the following calendar quarter, and (b) in connection with any LIBOR Advance, the term of such Advance selected by the Borrower or otherwise determined in accordance with this Agreement. Notwithstanding the foregoing, however, (i) any applicable Interest Period which would otherwise end on a day which is not a Business Day shall be extended to the next succeeding Business Day unless, with respect to LIBOR Advances only, such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day, (ii) any applicable Interest Period, with respect to LIBOR Advances only, which begins on a day for which there is no numerically corresponding day in the calendar month during which such Interest Period is to end shall (subject to clause (i) above) end on the last day of such calendar month, and (iii) the Borrower shall not select an Interest Period which extends beyond the Maturity Date or such earlier date as would interfere with the Borrowers' repayment obligations under Section 2.5,

2.6 or 2.7 hereof. Interest shall be due and payable with respect to any Advance as provided in Section 2.3 hereof.

"Interest Rate Basis" shall mean the Base Rate Basis or the LIBOR Basis, as

appropriate.

"Interim Financing" shall mean the Redeemable Pay-In-Kind Preferred Stock

referred to in the Private Placement Memorandum, dated as of May 28, 1998 (a true and correct copy of which has been delivered to the Administrative Agent), and shall include the Exchange Preferred (as defined therein).

"Intracoastal Notes" shall mean the partially non-recourse notes of ATS

(true and correct copies of which have been delivered to the Administrative Agent), in the aggregate principal amount of \$12,000,000, issued or to be issued by ATS in connection with the merger of Intracoastal Broadcasting, Inc., a Delaware corporation, into ATS (Delaware).

"Investment " shall mean any investment or loan by either Borrower or any

Restricted Subsidiary in or to any Person which Person, (a) after giving to such investment or loan, is not consolidated with the Borrowers and the Restricted Subsidiaries in accordance with GAAP, or (b) is designated as an Unrestricted Subsidiary in accordance with the terms hereof.

"known to the Borrower" or "to the knowledge of the Borrower" shall mean

known by or reasonably should have been known by the executive officers of either Borrower (which shall include, without limitation, the chief executive officer, the chief operating officer, if any, the chief financial officer, the general counsel and any vice president of either Borrower or of ATSC GP).

"LIBOR" shall mean, for any Interest Period, the average of the interest

rates per annum at which deposits in United States Dollars for such Interest Period are offered to the Administrative Agent in the Eurodollar market at approximately 11:00 a.m. (London, England time) two (2) Business Days before the first day of such Interest Period, in an amount approximately equal to the principal amount of, and for a length of time approximately equal to the Interest Period for, the LIBOR Advance sought by either Borrower.

"LIBOR Advance" shall mean an Advance which either Borrower requests to be

made as a LIBOR Advance or which is reborrowed as a LIBOR Advance, in accordance with the provisions of Section 2.2 hereof, and which shall be in a principal amount of at least \$5,000,000 and in an integral multiple of \$1,000,000.

"LIBOR Basis" shall mean a simple per annum interest rate (rounded upward,

if necessary, to the nearest one-hundredth (1/100th) of one percent (1%) equal to the sum of (a) the quotient of (i) the LIBOR divided by (ii) one minus the

Eurodollar Reserve Percentage, if

any, stated as a decimal, plus (b) the Applicable Margin. The LIBOR Basis shall

apply to Interest Periods of one (1), two (2), three (3), or six (6) months,
and, once determined, shall remain unchanged during the applicable Interest
Period, except for changes to reflect adjustments in the Eurodollar Reserve
Percentage and the Applicable Margin as adjusted pursuant to Section 2.3(f)
hereof. The LIBOR Basis for any LIBOR Advance shall be adjusted as of the
effective date of any change in the Eurodollar Reserve Percentage.

"Licenses" shall mean any telephone, microwave, radio transmissions,

personal communications or other license, authorization, certificate of
compliance, franchise, approval or permit, whether for the construction, the
ownership or the operation of any communications tower facilities, granted or
issued by the FCC and held by either Borrower or any of the Restricted
Subsidiaries, all of which as of the Agreement Date are listed on Schedule 1

attached hereto.

"Lien" shall mean, with respect to any property, any mortgage, lien,

pledge, negative pledge or other agreement not to pledge, assignment, charge,
security interest, title retention agreement, levy, execution, seizure,
attachment, garnishment or other encumbrance of any kind in respect of such
property, whether created by statute, contract, the common law or otherwise, and
whether or not choate, vested or perfected.

"Loan Documents" shall mean this Agreement, the Notes, the Security

Agreements, the Borrowers' Guarantees, the Stock Pledge Agreement, all
Subsidiary Pledge Agreements, all Subsidiary Security Agreements, all Subsidiary
Guaranties, all Assignments of Intercompany Notes, all Subordination Agreements,
the Parent Guaranty, the Parent Pledge Agreement, the Assignment of Limited
Partner Interests, the Assignment of General Partner Interests, all fee letters,
all Requests for Advance, all Interest Hedge Agreements between either Borrower,
on the one hand, and the Administrative Agent and the Banks, or any of them, on
the other hand, and all other documents and agreements executed or delivered by
either Borrower or any of the Restricted Subsidiaries or the Parent in
connection with or contemplated by this Agreement; provided, however, that Loan

Documents shall exclude, except as otherwise specifically provided herein, the
"Loan Documents" under the Parent Loan Agreement.

"Loans" shall mean, collectively, the amounts advanced by the Banks to the

Borrowers under the Commitments, and evidenced by the Notes.

"Loan-Purchase Agreement" shall mean any agreement as related agreements

between the Borrower or any Restricted Subsidiary and any other Person pursuant
to the terms of which (a) the Borrower or such Restricted Subsidiary has made a
loan to such Person permitted by Section 7.6(d) hereof and (b) the Borrower or
such Restricted Subsidiary shall agree to acquire all or substantially all of
the assets of such Person within the twelve (12) calendar month period
immediately following the date of such agreement.

"Majority Banks" shall mean (i) at any time that no Loans are outstanding

hereunder, Banks the total of whose Commitment Ratios equals or exceeds sixty percent (60%) of the Commitment Ratios of all Banks entitled to vote hereunder, or (ii) at any time that there are Loans outstanding hereunder, Banks the total of whose Loans outstanding equals or exceeds sixty percent (60%) of the total principal amount of the Loans then outstanding of all Banks entitled to vote hereunder.

"Materially Adverse Effect" shall mean (a) any material adverse effect upon

the business, assets, business prospects, liabilities, financial condition, results of operations or properties of the Borrowers and the Restricted Subsidiaries, taken as a whole, or (b) a material adverse effect upon the binding nature, validity, or enforceability of this Agreement and the Notes, or upon the ability of the Borrowers and the Restricted Subsidiaries to perform the payment obligations or other material obligations under this Agreement or any other Loan Document, or upon the value of the Collateral or upon the rights, benefits or interests of the Banks in and to the Loans or the rights of the Administrative Agent and the Banks in the Collateral; in either case, whether resulting from any single act, omission, situation, status, event or undertaking, or taken together with other such acts, omissions, situations, statuses, events or undertakings.

"Maturity Date" shall mean June 16, 2006, or, as the case may be, such

earlier date as payment of the Obligations shall be due (whether by acceleration, reduction of the Commitments to zero or otherwise).

"Multiemployer Plan" shall mean a multiemployer pension plan as defined in

Section 3(37) of ERISA to which either Borrower, any of its Subsidiaries or any ERISA Affiliate is or has been required to contribute.

"Necessary Authorizations" shall mean all approvals and licenses from, and

all filings and registrations with, any governmental or other regulatory authority, including, without limiting the foregoing, the Licenses and all approvals, licenses, filings and registrations under the Communications Act, necessary in order to enable the Borrowers and the Restricted Subsidiaries to own, construct, maintain, and operate communications tower facilities and to invest in other Persons who own, construct, maintain, manage and operate communications tower facilities.

"Net Income" shall mean, for the Borrowers and the Restricted Subsidiaries

on a consolidated basis, for any period, net income determined in accordance with GAAP.

"Net Proceeds" shall mean, with respect to any sale, lease, transfer or

other disposition of assets by either Borrower or any of the Restricted Subsidiaries, the aggregate amount of cash received for such assets (including, without limitation, any payments received for noncompetition covenants, consulting or management fees in connection with such sale, and any portion of the amount received evidenced by a promissory note or other evidence of

Indebtedness issued by the purchaser), net of (i) amounts reserved, if any, for taxes payable with respect to any such sale (after application (assuming application first to such reserves) of any available losses, credits or other offsets), (ii) reasonable and customary transaction costs properly attributable to such transaction and payable by either Borrower or any of the Restricted Subsidiaries (other than to an Affiliate) in connection with such sale, lease, transfer or other disposition of assets, including, without limitation, commissions, and (iii) until actually received by either Borrower or any of the Restricted Subsidiaries, any portion of the amount received held in escrow or evidenced by a promissory note or other evidence of Indebtedness issued by a purchaser or non-compete, consulting or management agreement or covenant or otherwise for which compensation is paid over time. Upon receipt by either Borrower or any of the Restricted Subsidiaries of (A) amounts referred to in item (iii) of the preceding sentence, or (B) if there shall occur any reduction in the tax reserves referred to in item (i) of the preceding sentence resulting in a payment to either Borrower or any of the Restricted Subsidiaries, such amounts shall then be deemed to be "Net Proceeds."

"New Towers" shall mean any communications tower constructed by either

Borrower or any of its Restricted Subsidiaries after (or not yet completed as of) the Agreement Date. For purposes of this definition, a communications tower shall be deemed "completed" as of the date one bona fide customer uses communications equipment installed on such tower and shall not be considered a "New Tower" after the end of the twelfth (12/th/) calendar month following the month of completion.

"New Tower Operation Business" shall mean the operation by either Borrower

or its Restricted Subsidiaries of New Towers.

"Non-U.S. Bank" shall have the meaning ascribed to such term in Section

2.8(a) hereof.

"Notes" shall mean, collectively, the Revolving Loan Notes and the Term

Loan Notes.

"Obligations" shall mean all payment and performance obligations of every

kind, nature and description of the Borrowers, the Restricted Subsidiaries, and any other obligors to the Banks, or the Administrative Agent, or any of them, under this Agreement and the other Loan Documents (including, without limitation, any interest, fees and other charges on the Loans or otherwise under the Loan Documents that would accrue but for the filing of a bankruptcy action with respect to either Borrower, whether or not such claim is allowed in such bankruptcy action), and including Obligations to the Banks pursuant to Section 5.12 hereof) as they may be amended from time to time, or as a result of making the Loans, whether such obligations are direct or indirect, absolute or contingent, due or not due, contractual or tortious, liquidated or unliquidated, arising by operation of law or otherwise, now existing or hereafter arising.

"Operating Cash Flow" shall mean, for any fiscal year, the sum of Operating

Cash Flow (New Towers), Operating Cash Flow (Towers) and Operating Cash Flow
(Other Business) for such year.

"Operating Cash Flow (New Towers)" shall mean, with respect to the

Borrowers and the Restricted Subsidiaries on a consolidated basis as of the end
of any period, (a) the sum of (i) operating revenues of the Borrowers and the
Restricted Subsidiaries in connection with the New Tower Operation Business,
plus (ii) Unrestricted Subsidiary Distributions with respect to businesses of

such Persons of the same type as the New Tower Operation Business during such
period, less (b) operating expenses attributable to such New Tower Operation

Business for such period. In the case of determining Operating Cash Flow (New
Towers) under Sections 2.3, 7.8, 7.9, 7.10, 7.11 and 7.12 hereof following an
Acquisition of a New Tower Operation Business permitted hereunder, Operating
Cash Flow (New Towers) shall include the Acquisition Operating Cash Flow. For
purposes of calculating Operating Cash Flow (New Towers) in connection with any
Advance for an Acquisition of a New Tower Operation Business, Operating Cash
Flow (New Towers) for the Borrowers and the Restricted Subsidiaries as of the
last day of the immediately preceding calendar month end shall include
"operating cash flow (new towers)" for the Acquisition for the same period after
giving effect to adjustments reasonably satisfactory to the Administrative
Agent. For purposes of this definition, Operating Cash Flow (New Towers) shall
include the foregoing items (each calculated in a manner substantially similar
to the financial statements required to be delivered pursuant to Sections 6.1
and 6.2 hereof and otherwise in all respects reasonably satisfactory to the
Administrative Agent) with respect to any Person with whom either Borrower has
entered into a Loan-Purchase Agreement; provided, however, that with respect to

any such Person such items shall not be included for any period exceeding twelve
(12) calendar months unless such Person becomes a Restricted Subsidiary of such
Borrower.

"Operating Cash Flow (Towers)" shall mean, with respect to the Borrowers

and their Restricted Subsidiaries on a consolidated basis as of the end of any
period, (a) the sum of (i) operating revenues of the Borrowers and their
Restricted Subsidiaries in connection with the Tower Operation Business, plus

(ii) Unrestricted Subsidiary Distributions with respect to the businesses of
such Persons of the same type as Tower Operation Business during such period,
less (b) operating expenses attributable to such Tower Operation Business for

such period. In the case of determining Operating Cash Flow (Towers) under
Sections 2.3, 7.8, 7.9, 7.10, 7.11 and 7.12 hereof following an Acquisition of a
Tower Operation Business permitted hereunder, Operating Cash Flow (Towers) shall
include the Acquisition Operating Cash Flow. For purposes of calculating
Operating Cash Flow in connection with any Advance for an Acquisition of a Tower
Operation Business, Operating Cash Flow (Towers) as of the last day of the
immediately preceding calendar month end shall include "operating cash flow
(towers)" for the Acquisition for the same period after giving effect to
adjustments reasonably satisfactory to the Administrative Agent. For purposes of
this definition, Operating Cash Flow (Towers) shall include the foregoing items
(each calculated in a manner substantially similar to the financial statements
required to be delivered pursuant to

Sections 6.1 and 6.2 hereof and otherwise in all respects reasonably satisfactory to the Administrative Agent) with respect to any Person with whom either Borrower has entered into a Loan-Purchase Agreement; provided, however,

that with respect to any such Person such items shall not be included for any period exceeding twelve (12) calendar months unless such Person becomes a Restricted Subsidiary of such Borrower.

"Operating Cash Flow (Other Business)" shall mean, with respect to the

Borrowers and their Restricted Subsidiaries on a consolidated basis as of the end of any period, (a) the sum of (i) operating revenues of the Borrowers and their Restricted Subsidiaries in connection with the Other Operations, plus (ii)

Unrestricted Subsidiary Distributions with respect to businesses of such Persons of the same type as the Other Operations during such period, less (b) operating

expenses attributable to such Other Operations for such period. In the case of determining Operating Cash Flow (Other Business) under Sections 2.3, 7.8, 7.9, 7.10, 7.11 and 7.12 hereof following an Acquisition of Other Operations permitted hereunder, Operating Cash Flow (Other Business) shall include the Acquisition Operating Cash Flow. For purposes of calculating Operating Cash Flow (Other Business) in connection with any Advance for an Acquisition of Other Operations, Operating Cash Flow (Other Business) as of the last day of the immediately preceding calendar month end shall include "operating cash flow (other business)" for the Acquisition for the same period after giving effect to adjustments reasonably satisfactory to the Administrative Agent.

"Other Operations" shall mean all businesses of the Borrowers and their

Restricted Subsidiaries (other than the Tower Operations Business and the New Tower Operations Business), including, without limitation, the video, voice and data transmission business and the site acquisition business.

"Parent" shall mean American Tower Corporation, a Delaware corporation.

"Parent Guaranty" shall mean that certain Parent Guaranty dated as of the

even date herewith, made by the Parent in favor of the Collateral Agent, substantially in the form of Exhibit E attached hereto.

"Parent Loan Agreement" shall mean that certain Parent Loan Agreement dated

as of even date herewith by and among the Parent, the Administrative Agent and the lenders parties thereto, providing for a term credit facility in an amount not to exceed \$150,000,000, as the same may be amended, modified, supplemented or restated from time to time.

"Parent Pledge Agreement" shall mean that certain Parent Pledge Agreement dated as of even date herewith, made by Parent in favor of the Collateral Agent, substantially in the form of Exhibit F attached hereto.

"Payment Date" shall mean the last day of any Interest Period.

"PBGC" shall mean the Pension Benefit Guaranty Corporation, or any

successor thereto.

"Permitted Liens" shall mean, as applied to any Person:

(a) any Lien in favor of the Administrative Agent or the Collateral Agent given to secure the Obligations and the "Obligations" under the ATS Facility B Loan Agreement;

(b) (i) Liens on real estate or other property for taxes, assessments, governmental charges or levies not yet delinquent and (ii) Liens for taxes, assessments, judgments, governmental charges or levies or claims the non-payment of which is being diligently contested in good faith by appropriate proceedings and for which adequate reserves have been set aside on such Person's books, but only so long as no foreclosure, distraint, sale or similar proceedings have been commenced with respect thereto;

(c) Liens of carriers, warehousemen, mechanics, vendors, (solely to the extent arising by operation of law) laborers and materialmen incurred in the ordinary course of business for sums not yet due or being diligently contested in good faith, if reserves or appropriate provisions shall have been made therefor;

(d) Liens incurred in the ordinary course of business in connection with worker's compensation and unemployment insurance, social security obligations, assessments or government charges which are not overdue for more than sixty (60) days;

(e) restrictions on the transfer of the Licenses or assets of either Borrower or the Restricted Subsidiaries imposed by any of the Licenses as presently in effect or by the Communications Act and any regulations thereunder;

(f) easements, rights-of-way, zoning restrictions, licenses, reservations or restrictions on use and other similar encumbrances on the use of real property which do not materially interfere with the ordinary conduct of the business of such Person or the use of such property;

(g) Liens arising by operation of law in favor of purchasers in connection with any asset sale permitted hereunder; provided, however, that such

Lien only encumbers the property being sold;

(h) Liens reflected by Uniform Commercial Code financing statements filed in respect of Capitalized Lease Obligations permitted pursuant to Section 7.1 hereof and true leases of either Borrower or any of their Subsidiaries;

(i) Liens to secure performance of statutory obligations, surety or appeal bonds, performance bonds, bids or tenders;

(j) judgment Liens which do not result in an Event of Default under Section 8.1 (h) hereof;

(k) Liens in connection with escrow deposits made in connection with Acquisitions permitted hereunder;

(l) Liens in favor of the lenders under the Parent Loan Agreement, which Liens are subject to the Intercreditor Agreement; and

(m) Liens of a nature contemplated by the penultimate sentence of Section 5.13 hereof.

"Person" shall mean an individual, corporation, limited liability company, -----
association, partnership, joint venture, trust or estate, an unincorporated organization, a government or any agency or political subdivision thereof, or any other entity.

"Plan" shall mean an employee benefit plan within the meaning of Section -----
3(3) of ERISA or any other employee benefit plan maintained for employees of any Person or any affiliate of such Person.

"Principal Shareholders" shall mean, collectively, (a) Steven B. Dodge, (b) -----
the legal heirs of Steven B. Dodge, (c) Thomas H. Stoner, (d) the legal heirs of Thomas H. Stoner, and (e) any Person the securities of which would be deemed to be beneficially owned by any of the foregoing Persons pursuant to the provisions of Rule 13(d)(3) under the Exchange Act.

"Prior Loan Agreement" shall mean that certain Amended and Restated Loan -----
Agreement dated as of October 15, 1997 by and among American Tower Systems, Inc., as Borrower, the financial institutions parties thereto, as Banks, and Toronto Dominion (Texas), Inc., as Administrative Agent, as amended by that certain First Amendment to Amended and Restated Loan Agreement dated as of December 31, 1997, that certain Assumption Agreement dated as of January 21, 1998, that certain Second Amendment to Amended and Restated Loan Agreement dated as of March 27, 1998, and that certain Third Amendment to Amended and Restated Loan Agreement dated as of May 11, 1998.

"Pro Forma Debt Service" shall mean with respect to the twelve (12) -----
calendar month period following the calculation date, and after giving effect to any Interest Hedge Agreements and LIBOR Advances, the sum of the amount of all of the following with respect to the Borrowers, the Restricted Subsidiaries and the Parent, on a consolidated basis, (a) scheduled payments of principal on Indebtedness for Money Borrowed (determined with respect to the Revolving Loans only, as the difference between the outstanding principal amount of the Revolving Loans on the calculation date and the amount the Revolving Loan Commitment will be after the reductions thereof set forth in Section 2.5 hereof for such twelve calendar month period have taken effect) for such period, (b) Interest Expense for

such period, (c) fees payable under this Agreement, the Facility B Loan Agreement and the Parent Loan Agreement for such period, and (d) other payments payable by such Persons during such period in respect of Indebtedness for Money Borrowed (other than voluntary repayments). For purposes of this definition, where interest payments for the twelve (12) month period immediately succeeding the calculation date are not fixed by way of Interest Hedge Agreements, LIBOR Advances, or otherwise for the entire period, interest shall be calculated on such Indebtedness for Money Borrowed for periods for which interest payments are not so fixed at the lesser of (i) the LIBOR Basis (based on the then current adjustment under Section 2.3(f) hereof) for a LIBOR Advance having an Interest Period of six (6) months as determined on the date of calculation and (ii) the Base Rate Basis as in effect on the date of calculation; provided, however, that

if such LIBOR Basis cannot be determined in the reasonable opinion of the Administrative Agent, such interest shall be calculated using the Base Rate Basis as then in effect.

"Projections" shall have the meaning ascribed thereto in Section 4.1(r)

hereof.

"Register" shall have the meaning ascribed to such term in Section 11.5(g)

hereof.

"Registered Noteholder" shall mean each Non-U.S. Bank that requests or holds

a Registered Note pursuant to Section 2.8(a) hereof or registers its Loans pursuant to Section 11.5(g) hereof.

"Registered Notes" shall mean those certain Notes that have been issued in

registered form in accordance with Sections 2.8(a) and 11.5(g) hereof and each of which bears the following legend: "This is a Registered Note, and this Registered Note and the Loans evidenced hereby may be assigned or otherwise transferred in whole or in part only by registration of such assignment or transfer on the Register and in compliance with all other requirements provided for in the ATS Facility A Loan Agreement."

"Regulations" shall have the meaning ascribed thereto in Section 4.1(n)

hereof.

"Reportable Event" shall mean, with respect to any Employee Pension Plan,

an event described in Section 4043(b) of ERISA.

"Request for Advance" shall mean a certificate designated as a "Request for

Advance," signed by an Authorized Signatory of either Borrower requesting an Advance hereunder, which shall be in substantially the form of Exhibit G

attached hereto, and shall, among other things, (i) specify the date of the Advance, which shall be a Business Day, the amount of the Advance, the type of Advance (LIBOR or Base Rate), and, with respect to LIBOR Advances, the Interest Period with respect thereto, (ii) state that there shall not exist, on the date of the requested Advance and after giving effect thereto, a Default, as of the date of such Advance and after giving effect thereto, and (iii) the Applicable Margin then in effect.

"Required Lenders" shall mean, at any time, Persons whose Commitment and

Facility B Commitment equal or exceed sixty percent (60%) of the aggregate amount of the Commitment hereunder and the Facility B Commitment (after giving effect to any reductions in such Commitments but without giving effect to any Loans outstanding); provided however, that if such Commitments have been

terminated or cancelled; "Required Lenders" shall mean Persons whose Loans and

Facility B Loans equal or exceed sixty percent (60%) of the aggregate amount of such Loans then outstanding.

"Restricted Payment" shall mean any direct or indirect distribution,

dividend or other payment to any Person (other than to either Borrower or any of the Restricted Subsidiaries) on account of (a) any general or limited partnership interest in, or shares of Capital Stock or other securities of, either Borrower (other than dividends payable solely in general or limited partnership interests or stock of such Person and stock splits), including, without limitation, any direct or indirect distribution, dividend or other payment to any Person (other than to either Borrower or any of the Restricted Subsidiaries) on account of any warrants or other rights or options to acquire shares of Capital Stock of either Borrower or any of the Restricted Subsidiaries, or (b) any management or similar agreement with an Affiliate of such Person not (i) in compliance with Section 7.13 hereof or (ii) in the ordinary course of business, it being understood that the payment of fees in connection with the Interim Financing shall not be deemed to be a Restricted Payment.

"Restricted Subsidiary" shall mean any Subsidiary of either Borrower other

than an Unrestricted Subsidiary. The Restricted Subsidiaries as of the Agreement Date are as set forth on Schedule 2 attached hereto.

"Revolving Loan Commitment" shall mean the several obligations of the Banks

to advance in an aggregate amount of up to \$400,000,000 at any one time outstanding, in accordance with their respective Commitment Ratios, to the Borrowers pursuant to the terms hereof and as such obligations may be reduced from time to time pursuant to the terms hereof.

"Revolving Loan Notes" shall mean, collectively, those certain revolving

promissory notes in an aggregate original principal amount of the Revolving Loan Commitment, and one (1) issued to each of the Banks by the Borrowers with respect to the Revolving Loan Commitment, each one substantially in the form of Exhibit H attached hereto, and any extensions, renewals or amendments to, or

replacements of, the foregoing.

"Revolving Loans" shall mean, collectively, the amounts advanced by the

Banks to the Borrowers under the Revolving Loan Commitment, not to exceed the amount of the Revolving Loan Commitment, and evidenced by the Revolving Loan Notes.

"Sconnix Note" shall mean the note of Sconnix Broadcasting Company, a New

Hampshire limited partnership (a true and correct copy of which has been delivered to the Administrative Agent), in the aggregate principal amount of \$12,000,000, acquired or to be acquired by ATS (Delaware) in connection with the merger of Intracoastal Broadcasting, Inc., a Delaware corporation, into ATS (Delaware).

"Security Agreement" shall mean that certain Security Agreement dated as of

even date herewith, made by the Borrowers in favor of the Collateral Agent for the ratable benefit of the Banks, substantially in the form of Exhibit I

attached hereto.

"Security Documents" shall mean each Borrower Guaranty, each Security

Agreement, the Stock Pledge Agreement, all Subsidiary Guaranties, all Subsidiary Pledge Agreements, all Subsidiary Security Agreements, all Assignments of Intercompany Loans, each Assignment of General Partner Interests, each Assignment of Limited Partner Interests, the Parent Pledge Agreement, the Parent Guaranty, any other agreement or instrument providing collateral for the Obligations whether now or hereafter in existence, and any filings, instruments, agreements, and documents related thereto or to this Agreement, and providing the Collateral Agent, for the benefit of the Banks, with Collateral for the Obligations.

"Security Interest" shall mean all Liens in favor of the Collateral Agent,

for the benefit of the Banks, created hereunder or under any of the Security Documents to secure the Obligations.

"Senior Debt" shall mean, for the Borrowers and the Restricted Subsidiaries

on a consolidated basis as of any date, the sum of (without duplication) (i) the outstanding principal amount of the Loans and the Facility B Loans, (ii) the aggregate amount of Capitalized Lease Obligations and Indebtedness for Money Borrowed or such Persons, and (iii) the aggregate amount of all Guaranties by such Persons of Indebtedness for Money Borrowed.

"Senior Leverage Ratio" shall mean, as of any date, the ratio of (a) the

Senior Debt on such date to (b) Annualized Operating Cash Flow.

"Separation Obligations" shall mean the obligations of the Parent to

reimburse CBS Corporation for certain tax and other obligations relating to the separation of the Parent from American Radio Systems as set forth on Schedule 3

attached hereto.

"Stock Pledge Agreement " shall mean that certain Stock Pledge Agreement

of ATS (Delaware) dated as of even date herewith between ATS (Delaware) and the Collateral Agent, substantially in the form of Exhibit J attached hereto,

pursuant to which ATS (Delaware) has pledged to the Collateral Agent for the ratable benefit of the Banks all of ATS (Delaware) stock ownership in each of its directly owned Restricted Subsidiaries.

"Subordination Agreement" shall mean, collectively, (a) that certain

Subordination Agreement dated as of even date herewith among ATSC Operating, ATSC LP and the Administrative Agent, and (b) that certain Subordination Agreement dated as of even date herewith among ATSC Holding, ATSC GP and the Administrative Agent.

"Subsidiary" shall mean, as applied to any Person, (a) any corporation

of which more than fifty percent (50%) of the outstanding stock (other than directors' qualifying shares) having ordinary voting power to elect a majority of its board of directors, regardless of the existence at the time of a right of the holders of any class or classes of securities of such corporation to exercise such voting power by reason of the happening of any contingency, or any partnership of which more than fifty percent (50%) of the outstanding partnership interests, is at the time owned directly or indirectly by such Person, or by one or more Subsidiaries of such Person, or by such Person and one or more Subsidiaries of such Person, or (b) any other entity which is directly or indirectly controlled or capable of being controlled by such Person, or by one or more Subsidiaries of such Person, or by such Person and one or more Subsidiaries of such Person.

"Subsidiary Guaranty" shall mean that certain Subsidiary Guaranty, dated

as of even date herewith, in favor of the Collateral Agent and the Banks, given by each Restricted Subsidiary on the Agreement Date, substantially in the form of Exhibit K attached hereto, and shall include any similar agreements executed

pursuant to Section 5.13 hereof.

"Subsidiary Pledge Agreement" shall mean that certain Subsidiary Pledge

Agreement dated as of even date herewith made by each Restricted Subsidiary having one or more of its own Restricted Subsidiaries, on the one hand, in favor of the Collateral Agent, on the other hand, substantially in the form of Exhibit L attached hereto, and shall include any similar agreements executed

pursuant to Section 5.13 hereof.

"Subsidiary Security Agreement" shall mean that certain Subsidiary

Security Agreement dated as of even date herewith between each Restricted Subsidiary, on the one hand, and the Collateral Agent, (on behalf of itself, the Administrative Agent and the Banks), on the other hand, substantially in the form of Exhibit M attached hereto, and shall include any similar agreements

executed pursuant to Section 5.13 hereof.

"Term Loan" shall have the amounts advanced by the Banks to the Borrowers

as Term Loans under the Term Loan Commitment and evidenced by the Term Loan Notes.

"Term Loan Commitment" shall mean the several obligations of the Banks to

advance to the Borrowers \$250,000,000, in accordance with their respective Commitment Ratios pursuant to the terms hereof.

"Term Loan Notes" shall mean, collectively, those certain term promissory

notes in the aggregate original principal amount of \$250,000,000 and one (1) issued to each of the

Banks by the Borrowers, each one substantially in the form of Exhibit N attached

hereto, and any extensions, modifications, renewals or replacements of, or amendments to, any of the foregoing.

"Total Debt" shall mean, for the Parent, the Borrowers and the Restricted

Subsidiaries on a consolidated basis as of any date, the sum (without duplication) of (i) the outstanding principal amount of the Loans, the Facility B Loans and the loans outstanding under the Parent Loan Agreement, (ii) the aggregate amount of Capitalized Lease Obligations and Indebtedness for Money Borrowed of such Persons, and (iii) the aggregate amount of all Guaranties by such Persons of Indebtedness for Money Borrowed.

"Tower Operation Business" shall mean the ownership, leasing and tower

management businesses of the Borrowers and their Restricted Subsidiaries.

"Unreinvested Net Proceeds" shall mean the aggregate Net Proceeds not

(i) used or committed to be used to acquire fixed or capital assets permitted by Section 7.6 hereof within the period specified in Section 2.7(b)(iii) hereof or (ii) used to repay Loans pursuant to the provisions of Section 2.7(b)(iii).

"Unrestricted Subsidiary" shall mean any Subsidiary of either Borrower

or any joint venture (which may represent a minority interest) between either Borrower and/or any of their Subsidiaries and any other Person, in each case, which either Borrower has heretofore designated or hereafter designates as an Unrestricted Subsidiary by written notice to the Administrative Agent and the Banks prior to the formation or acquisition of such Subsidiary or joint venture. Notwithstanding the foregoing, no Restricted Subsidiary may be re-designated as an Unrestricted Subsidiary without the prior consent of the Majority Banks. The Unrestricted Subsidiaries as of the Agreement Date are as set forth Schedule 4

attached hereto. All Subsidiaries of any Unrestricted Subsidiary, now or hereafter existing, shall be Unrestricted Subsidiaries.

"Unrestricted Subsidiary Distributions" shall mean the amount of cash

distributions received during such period by either Borrower or any of its Restricted Subsidiaries from any Unrestricted Subsidiary (other than in connection with the repayment of intercompany Indebtedness).

"U.S. Person" shall mean a citizen or resident of the United States of

America, a corporation, partnership or other entity created or organized in or under any laws of the United States of America, or any estate or trust that is subject to Federal income taxation regardless of the source of its income.

Each definition of an agreement in this Article 1 shall include such agreement as modified, amended or supplemented from time to time in accordance herewith.

ARTICLE 2 Loans

Section 2.1 The Loans.

- (a) Revolving Loan Commitment. The Banks agree, severally, in

accordance with their respective Commitment Ratios, and not jointly, upon the terms and subject to the conditions of this Agreement, to lend and relend to the Borrowers from time to time, amounts which do not exceed, in the aggregate, at any one time outstanding the amount of the Revolving Loan Commitment as in effect from time to time. Subject to the terms and conditions hereof, Advances under the Revolving Loan Commitment may be repaid and reborrowed from time to time on a revolving basis. The Borrowers hereby agree that all amounts advanced under the Revolving Loan Commitment shall be joint and several obligations of the Borrowers.

- (b) Term Loan Commitment. The Banks agree, severally, in

accordance with their respective Commitment Ratios, and not jointly, upon the terms and subject to the conditions of this Agreement, to lend to the Borrowers (i) on the Agreement Date an amount not to exceed the Term Loan Commitment, but not to be less than \$125,000,000, and (ii) on or prior to December 31, 1998, an additional Advance in an amount not to exceed the unborrowed portion of the Term Loan Commitment. Subject to the terms and conditions hereof, Advances under the Term Loan Commitment may be repaid and reborrowed to effect a change in the Interest Rate Basis or Interest Periods relating thereto. The Borrowers hereby agree that all amounts advanced under the Term Loan Commitment shall be joint and several obligations of the Borrowers.

Section 2.2 Manner of Borrowing and Disbursement.

- (a) Choice of Interest Rate, Etc. Any Advance hereunder shall,

at the option of the requesting Borrower, be made as a Base Rate Advance or a LIBOR Advance; provided, however, that at such time as there shall have

occurred and be continuing a Default hereunder, neither Borrower shall have the right to receive a LIBOR Advance. Any notice given to the Administrative Agent in connection with a requested Advance hereunder shall be given to the Administrative Agent prior to 11:00 a.m. (New York, New York time) in order for such Business Day to count toward the minimum number of Business Days required.

- (b) Base Rate Advances.

- (i) Advances. A Borrower shall give the Administrative

Agent in the case of Base Rate Advances at least one (1) Business Day's irrevocable prior telephonic notice followed immediately by a Request for Advance; provided,

however, that such Borrower's failure to confirm any telephonic notice with

a Request for Advance shall not invalidate any notice so given if acted upon by the Administrative Agent. Upon receipt of such notice from a Borrower, the Administrative Agent shall promptly notify each Bank by telephone or telecopy of the contents thereof.

(ii) Repayments and Reborrowings. Either Borrower may

repay or prepay a Base Rate Advance without regard to its Payment Date and (A) upon at least one (1) Business Day's irrevocable prior telephonic notice followed by written notice, reborrow all or a portion of the principal amount thereof as a Base Rate Advance, (B) upon at least three (3) Business Days' irrevocable prior telephonic notice followed by written notice, reborrow all or a portion of the principal thereof as one or more LIBOR Advances, or (C) not reborrow all or any portion of such Base Rate Advance. On the date indicated by the applicable Borrower, such Base Rate Advance shall be so repaid and, as applicable, reborrowed. The failure to give timely notice hereunder with respect to the Payment Date of any Base Rate Advance shall be considered a request for a Base Rate Advance.

(c) LIBOR Advances.

(i) Advances. Upon request, the Administrative Agent,

whose determination in absence of manifest error shall be conclusive, shall determine the available LIBOR Bases and shall notify the requesting Borrower of such LIBOR Bases to apply for the applicable LIBOR Advance. The requesting Borrower shall give the Administrative Agent in the case of LIBOR Advances at least three (3) Business Days' irrevocable prior telephonic notice followed immediately by a Request for Advance; provided,

however, that such Borrower's failure to confirm any telephonic notice with

a Request for Advance shall not invalidate any notice so given if acted upon by the Administrative Agent. Upon receipt of such notice from a Borrower, the Administrative Agent shall promptly notify each Bank by telephone or telecopy of the contents thereof.

(ii) Repayments and Reborrowings. At least three (3)

Business Days prior to the Payment Date for each LIBOR Advance, the applicable Borrower shall give the Administrative Agent telephonic notice followed by written notice specifying whether all or a portion of such LIBOR Advance (A) is to be repaid and then reborrowed in whole or in part as one or more LIBOR Advances, (B) is to be repaid and then reborrowed in whole or in part as a Base Rate Advance, or (C) is to be repaid and not reborrowed. The failure to give such notice shall preclude the Borrowers from reborrowing such Advance as a LIBOR Advance on its Payment Date and shall be considered a request for a Base Rate Advance. Upon such Payment Date such LIBOR Advance will, subject to the provisions hereof, be so repaid and, as applicable, reborrowed.

(d) Notification of Banks. Upon receipt of a Request for

Advance, or a notice from a Borrower with respect to any outstanding Advance prior to the Payment Date for such Advance, the Administrative Agent shall promptly but no later than the close of business on the day of such notice notify each Bank by telephone or telecopy of the contents thereof and the amount of such Bank's portion of the Advance. Each Bank shall, not later than 12:00 noon (New York, New York time) on the date of borrowing specified in such notice, make available to the Administrative Agent at the Administrative Agent's Office, or at such account as the Administrative Agent shall designate, the amount of its portion of any Advance that represents an additional borrowing hereunder in immediately available funds.

(e) Disbursement.

(i) Prior to 2:00 p.m. (New York, New York time) on the date of an Advance hereunder, the Administrative Agent shall, subject to the satisfaction of the conditions set forth in Article 3 hereof, disburse the amounts made available to the Administrative Agent by the Banks in like funds by (A) transferring the amounts so made available by wire transfer pursuant to the requesting Borrower's instructions, or (B) in the absence of such instructions, crediting the amounts so made available to the account of the requesting Borrower maintained with the Administrative Agent.

(ii) Unless the Administrative Agent shall have received notice from a Bank prior to 12:00 noon (New York, New York time) on the date of any Advance that such Bank will not make available to the Administrative Agent such Bank's ratable portion of such Advance, the Administrative Agent may assume that such Bank has made or will make such portion available to the Administrative Agent on the date of such Advance and the Administrative Agent may in its sole discretion and in reliance upon such assumption, make available to the requesting Borrower on such date a corresponding amount. If and to the extent the Bank does not make such ratable portion available to the Administrative Agent, such Bank agrees to repay to the Administrative Agent on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to the requesting Borrower until the date such amount is repaid to the Administrative Agent, at the Federal Funds Rate.

(iii) If such Bank shall repay to the Administrative Agent such corresponding amount, such amount so repaid shall constitute such Bank's portion of the applicable Advance for purposes of this Agreement. If such Bank does not repay such corresponding amount immediately upon the Administrative Agent's demand therefor, the Administrative Agent shall notify the Borrowers, and the Borrowers shall immediately pay such corresponding amount to the Administrative Agent, with interest at the Federal Funds Rate. The failure of any Bank to fund its portion of any Advance shall not relieve any other Bank of its obligation, if any, hereunder to fund

its respective portion of the Advance on the date of such borrowing, but no Bank shall be responsible for any such failure of any other Bank.

(iv) In the event that, at any time when there is no Default and each of the conditions in Section 3.2 hereof has been satisfied, a Bank for any reason fails or refuses to fund its portion of an Advance and such failure shall continue for a period in excess of thirty (30) days, then, until such time as such Bank has funded its portion of such Advance (which late funding shall not absolve such Bank from any liability it may have to the Borrowers), or all other Banks have received payment in full from the Borrowers (whether by repayment or prepayment) or otherwise of the principal and interest due in respect of such Advance, such non-funding Bank shall not have the right (A) to vote regarding any issue on which voting is required or advisable under this Agreement or any other Loan Document, and such Bank's portion of the Loans shall not be counted as outstanding for purposes of determining "Majority Banks" hereunder, and (B) to receive payments of principal, interest or fees from the Borrowers, the Administrative Agent or the other Banks in respect of its portion of the Loans until all Loans of the other Banks have been fully paid.

Section 2.3 Interest.

(a) On Base Rate Advances. Interest on each Base Rate Advance

shall be computed on the basis of a year of 365/366 days for the actual number of days elapsed and shall be payable at the Base Rate Basis for such Advance, in arrears on the applicable Payment Date. Interest on Base Rate Advances then outstanding shall also be due and payable on the Maturity Date.

(b) On LIBOR Advances. Interest on each LIBOR Advance shall be

computed on the basis of a 360-day year for the actual number of days elapsed and shall be payable at the LIBOR Basis for such Advance, in arrears on the applicable Payment Date, and, in addition, if the Interest Period for a LIBOR Advance exceeds three (3) months, interest on such LIBOR Advance shall also be due and payable in arrears on every three-month anniversary of the beginning of such Interest Period. Interest on LIBOR Advances then outstanding shall also be due and payable on the Maturity Date.

(c) Interest if no Notice of Selection of Interest Rate Basis.

If a Borrower fails to give the Administrative Agent timely notice of its selection of a LIBOR Basis, or if for any reason a determination of a LIBOR Basis for any Advance is not timely concluded, the Base Rate Basis shall apply to such Advance.

(d) Interest Upon Default. Immediately upon the occurrence of an

Event of Default hereunder, the outstanding principal balance of the Loans shall bear interest at the Default Rate. Such interest shall be payable on demand by the Majority Banks and shall accrue until the earlier of (i) waiver or cure of the applicable Event of Default, (ii) agreement

by the Majority Banks (or, if applicable to the underlying Event of Default, the Banks) to rescind the charging of interest at the Default Rate, or (iii) payment in full of the Obligations.

(e) LIBOR Contracts. At no time may the number of outstanding LIBOR Advances hereunder and under the ATS Facility B Loan Agreement exceed twelve (12).

(f) Applicable Margin. With respect to any Advance, the Applicable Margin shall be as set forth in a certificate of the chief financial officer of the Borrowers delivered to the Administrative Agent based upon the Applicable Margin Ratio for the most recent fiscal quarter end for which financial statements are furnished by the Borrowers to the Administrative Agent and each Bank for the fiscal quarter most recently ended as follows:

Applicable Margin Ratio	Base Rate		LIBOR Advance
	Advance	Applicable Margin	Applicable Margin
		-----	-----
A. Greater than or equal to 6.00:1		1.250%	2.250%
B. Greater than or equal to 5.50:1, but less than 6.00: 1		1.000%	2.000%
C. Greater than or equal to 5.00:1, but less than 5.50:1		0.750%	1.750%
D. Greater than or equal to 4.50:1, but less than 5.00:1		0.500%	1.500%
E. Greater than or equal to 4.00:1, but less than 4.50:1		0.250%	1.250%
F. Greater than or equal to 3.50: 1, but less than 4.00:1		0.000%	1.000%
G. Less than 3.50:1		0.000%	0.750%

Notwithstanding the foregoing, for the period from the Agreement Date through and including December 31, 1998, the Base Rate Advance Applicable Margin shall not be less than one percent (1.000%) and the LIBOR Advance Applicable Margin shall not be less than 2.000%. Changes to the Applicable Margin shall be effective (i) with respect to an increase in the Applicable Margin, as of the second (2nd) Business Day after the day on which the financial statements are required to be delivered to the Administrative Agent and the Banks pursuant to Section 6.1 or 6.2 hereof, as the case may be; provided, however, that if such financial statements are not delivered to the Administrative Agent and the Banks on or before the date specified in such Section, such increase shall be effective as of the date specified in such Section for delivery of the financial statements, and (ii) with respect to a decrease in the Applicable Margin, as of the later of (A) the second (2nd) Business Day after the day on which such financial statements are required to be delivered pursuant to Section 6.1 or 6.2 hereof, as the case may be, and (B) the date on which such financial statements are actually

delivered to the Administrative Agent and the Banks. Subject to the second sentence of this Section 2.3(f), the Applicable Margin on the Agreement Date shall be based on the financial statements for the Borrowers with respect to March 31, 1998 and the Senior Debt as of the Agreement Date.

Upon the occurrence and during the continuance of an Event of Default, the Applicable Margins shall not be subject to downward adjustment and shall automatically revert to the Applicable Margins set forth in part A of the above table until such time as such Event of Default is cured or waived.

Section 2.4 Commitment Fees. Commencing on the Agreement Date and of all

times thereafter, the Borrowers agree to pay, on a joint and several basis, to the Administrative Agent for the account of each of the Banks in accordance with such Bank's respective Commitment Ratio, a commitment fee on the aggregate unborrowed balance of the Revolving Loan Commitment and the Term Loan Commitment for each day from the Agreement Date until the Maturity Date, at a rate of (i) three-eighths of one percent (0.375%) per annum when the Applicable Margin Ratio is greater than or equal to 5.00:1; and (ii) one-quarter of one percent (0.250%) per annum when the Applicable Margin Ratio is less than 5.00:1. Such commitment fee shall be computed on the basis of a year of 365/366 days for the actual number of days elapsed, shall be payable quarterly in arrears on the last Business Day of each calendar quarter, and shall be fully earned when due and non-refundable when paid. A final payment of any commitment fee then payable shall also be due and payable on the Maturity Date.

Section 2.5 Mandatory Revolving Loan Commitment Reductions

(a) Scheduled Reductions under Revolving Loan Commitment.

Commencing June 30, 2001, and on the last day of each calendar quarter ending during the periods set forth below, the Revolving Loan Commitment as of June 29, 2001 shall be automatically and permanently reduced by the percentage amount set forth below:

Reduction Dates -----	Percentage of Revolving Loan Commitment as of June 29, 2001 -----
June 30, 2001, September 30, 2001 and December 31, 2001	2.500%
March 31, 2002, June 30, 2002, September 30, 2002 and December 31, 2002	3.125%
March 31, 2003, June 30, 2003, September 30, 2003 and December 31, 2003	3.750%
March 31, 2004, June 30, 2004, September 30, 2004 and December 31, 2004	5.000%
March 31, 2005, June 30, 2005, September 30, 2005 and December 31, 2005	5.625%
March 31, 2006 and June 16, 2006	11.250%

(b) Reduction From Facility A Excess Cash Flow. The Revolving

Loan Commitment shall be automatically and permanently reduced by an amount equal to the repayment of Revolving Loans required under Section 2.7(b)(iv) hereof; provided, however, that if there are no Term Loans then outstanding, the

Revolving Loan Commitment shall be reduced by an amount equal to the Facility A Excess Cash Flow, regardless of any repayment of the Revolving Loans. Reductions to the Revolving Loan Commitment under this Section shall be applied to the reductions set forth in Section 2.5(a) hereof in inverse order of the reductions set forth therein.

(c) Reduction From Permitted Asset Sales. The Revolving Loan

Commitment shall be automatically and permanently reduced by an amount equal to the repayment of Revolving Loans required under Section 2.7(b)(iii) hereof; provided, however, that if there are no Term Loans then outstanding, the

Revolving Loan Commitment shall be reduced by an amount equal to the Facility A Net Proceeds, regardless of any repayment of the Revolving Loans. Reductions to the Revolving Loan Commitment under this Section shall be applied to the reductions set forth in Section 2.5(a) hereof in inverse order of the reductions set forth therein.

(d) Reduction From Sale of Capital Stock and Debt Instruments.

The Revolving Loan Commitment shall be automatically and permanently reduced by an amount equal to the repayment of Revolving Loans required under Section 2.7(b)(v) hereof; provided, however, that if there are no Term Loans then

outstanding, the Revolving Loan Commitment shall be reduced by an amount equal to the Facility A Capital Raise Proceeds, regardless of any repayment of the Revolving Loans. Reductions to the Revolving Loan Commitment under this Section shall be applied to the reductions set forth in Section 2.5(a) hereof in inverse order of the reductions set forth therein.

Section 2.6 Voluntary Commitment Reductions. The Borrowers shall have the

right, at any time and from time to time after the Agreement Date and prior to the Maturity Date, upon at least three (3) Business Days' prior written notice to the Administrative Agent, without premium or penalty, to cancel or reduce permanently all or a portion of the Revolving Loan Commitment on the basis of the respective Commitment Ratios of the Banks applicable to the Revolving Loan Commitment; provided, however, that any such partial reduction shall be made in

an amount not less than \$5,000,000 and in an integral multiple of \$1,000,000.

As of the date of cancellation or reduction set forth in such notice, the Revolving Loan Commitment shall be permanently reduced to the amount stated in such notice for all purposes herein, and the Borrowers shall, on a joint and several basis, pay to the Administrative Agent for the Banks the amount necessary to reduce the principal amount of the Loans then outstanding under Revolving Loan Commitment to not more than the amount of Revolving Loan Commitment as so reduced, together with accrued interest on the amount so prepaid and commitment fees accrued through the date of the reduction with respect to the amount reduced.

Section 2.7 Prepayments and Repayments.

(a) Prepayment. The principal amount of any Base Rate Advance

may be prepaid in full or ratably in part at any time, without premium or penalty and without regard to the Payment Date for such Advance. LIBOR Advances may be prepaid prior to the applicable Payment Date, upon two (2) Business Days' prior written notice, or telephonic notice followed immediately by written notice, to the Administrative Agent; provided, however, that the Borrowers

shall, jointly and severally, reimburse the Banks and the Administrative Agent, on the earlier of demand by the applicable Bank or the Maturity Date, for any loss or out-of-pocket expense incurred by any Bank or the Administrative Agent in connection with such prepayment, as set forth in Section 2.10 hereof; provided further, however, that either Borrower's failure to confirm any

telephonic notice with a written notice shall not invalidate any notice so given if acted upon by the Administrative Agent. Any prepayment hereunder shall be in amounts of not less than \$1,000,000 and in an integral multiple thereof. Amounts prepaid pursuant to this Section 2.7 (a) may be reborrowed, subject to the terms and conditions hereof. Amounts prepaid shall be paid together with accrued interest on the amount so prepaid and commitment fees accrued through the date of the reduction with respect to the amount reduced.

(b) Repayments. The Borrowers shall repay the Loans, on a joint

and several basis, as follows:

(i) Scheduled Repayments of the Term Loans. Commencing June 30,

2001, the principal balance of the Term Loans outstanding on June 29, 2001 shall be repaid in consecutive quarterly installments on June 30/th/, September 30/th/, December 31/st/ and March 31/st/ of each year until paid in full in such amounts as follows:

Repayment Dates -----	Percentage of Principal of Term Loans Outstanding on June 29, 2001 Due on Last Day of Each Quarter -----
June 30, 2001, September 30, 2001 and December 31, 2001	2.500%
March 31, 2002, June 30, 2002, September 30, 2002 and December 31, 2002	3.125%
March 31, 2003, June 30, 2003, September 30, 2003 and December 31, 2003	3.750%
March 31, 2004, June 30, 2004, September 30, 2004 and December 31, 2004	5.000%
March 31, 2005, June 30, 2005, September 30, 2005 and December 31, 2005	5.625%
March 31, 2006, June 30, 2006	11.250%

(ii) Revolving Loans in Excess of Revolving Loan Commitment. If, -----
at any time, the amount of the Revolving Loans shall exceed the Revolving
Loan Commitment, the Borrowers shall, on such date and subject to Section
2.10 hereof, make a repayment of the principal amount of the Revolving
Loans in an amount equal to such excess, together with any accrued interest
and fees with respect thereto.

(iii) Permitted Asset Sales. At any time after the aggregate -----
Unreinvested Net Proceeds from all assets sales during the term of this
Agreement exceeds \$5,000,000, on the Business Day following the date of
receipt by either Borrower or any Restricted Subsidiary of the Net Proceeds
of any asset sale, the Loans shall be repaid in an amount equal to, in the
aggregate, any Facility A Net Proceeds; provided, however, that either -----
Borrower may notify the Administrative Agent in writing that it intends to
use any or all of such Facility A Net Proceeds to acquire fixed or capital
assets permitted by Section 7.6 hereof or for the construction of new
towers within twelve (12) months of the date of receipt of such Facility A
Net Proceeds, in which case, the reduction in the Loans which is otherwise
required under this Section 2.7(b)(iii) up to the amount of the Facility A
Net Proceeds intended to be used need not be made, but if all or part of
such Facility A Net Proceeds are not used or irrevocably committed to be
used within such twelve (12) month period, the Loans shall be permanently
reduced by an amount equal to the portion of such Facility A

Net Proceeds not so used or committed to be used on the earlier of (i) the first day following the end of such twelve (12) month period and (ii) the date on which the Borrowers have reasonably determined that such portion of the Facility A Net Proceeds shall not be so used or committed to be used. The amount of the Facility A Net Proceeds required to be repaid under this Section 2.7(b)(iii) shall be applied to the Loans on a pro rata basis between the Term Loans and the Revolving Loans then outstanding. Accrued interest on the principal amount of the Loans being prepaid pursuant to this Section 2.7(b)(iii) to the date of such prepayment will be paid by the Borrowers concurrently with such principal prepayment.

(iv) Facility A Excess Cash Flow. On or prior to April 15, 2002

and on or prior to each April 15/th/ thereafter during the term of this Agreement, the Loans shall be repaid in an amount equal to, in the aggregate, the Facility A Excess Cash Flow for the fiscal year ended on the immediately preceding December 31/st/. The amount of the Facility A Excess Cash Flow required to be repaid under this Section 2.7(b)(iv) shall be applied to the Loans on a pro rata basis between the Term Loans and the Revolving Loans then outstanding. Accrued interest on the principal amount of the Loans being prepaid pursuant to this Section 2.7(b)(iv) to the date of such prepayment will be paid by the Borrowers concurrently with such principal prepayment.

(v) Sale of Capital Stock and Debt Instruments. On the Business

Day following the date of receipt by the Parent, either Borrower or any Restricted Subsidiary of any Facility A Capital Raise Proceeds, the Loans shall be repaid in an amount equal to, in the aggregate, the Facility A Capital Raise Proceeds. The amount of the Facility A Capital Raise Proceeds required to be repaid under this Section 2.7(b)(v) shall be applied to the Loans on a pro rata basis between the Term Loans and the Revolving Loans then outstanding. Accrued interest on the principal amount of the Loans being prepaid pursuant to this Section 2.7(b)(v) to the date of such prepayment will be paid by the Borrowers concurrently with such principal prepayment.

(vi) Maturity Date. In addition to the foregoing, a final payment

of all Obligations then outstanding shall be due and payable on the Maturity Date.

Section 2.8 Notes; Loan Accounts.

(a) The Loans shall be repayable in accordance with the terms and provisions set forth herein and shall be evidenced by the Notes. One (1) Note shall be payable to the order of each Bank, in accordance with such Bank's respective Commitment Ratio. The Notes shall be issued on a joint and several basis by the Borrowers to the Banks and shall be duly executed and delivered by one or more Authorized Signatories. Any Bank (i) which is not a U.S. Person (a "Non-U.S. Bank") and (ii) which could become completely exempt from withholding

of United States Federal income taxes in respect of payment of any

obligations due to such Bank hereunder relating to any of its Loans if such Loans were in registered form for United States Federal income tax purposes may request the Borrowers (through the Administrative Agent), and the Borrowers agree thereupon, to register such Loans as provided in Section 11.5(g) hereof and to issue to such Bank Notes evidencing such Loans as Registered Notes or to exchange Notes evidencing such Loans for new Registered Notes, as applicable. Registered Notes may not be exchanged for Notes that are not in registered form.

(b) Each Bank may open and maintain on its books in the name of the Borrowers a loan account with respect to its portion of the Loans and interest thereon. Each Bank which opens such a loan account shall debit such loan account for the principal amount of its portion of each Advance made by it and accrued interest thereon, and shall credit such loan account for each payment on account of principal of or interest on its Loans. The records of a Bank with respect to the loan account maintained by it shall be prima facie evidence of its portion of the Loans and accrued interest thereon absent manifest error, but the failure of any Bank to make any such notations or any error or mistake in such notations shall not affect the Borrowers' repayment obligations with respect to such Loans.

Section 2.9 Manner of Payment.

(a) Each payment (including, without limitation, any prepayment) by the Borrowers on account of the principal of or interest on the Loans, commitment fees and any other amount owed to the Banks or the Administrative Agent or any of them under this Agreement or the Notes shall be made not later than 1:00 p.m. (New York, New York time) on the date specified for payment under this Agreement to the Administrative Agent at the Administrative Agent's Office, for the account of the Banks or the Administrative Agent, as the case may be, in lawful money of the United States of America in immediately available funds. Any payment received by the Administrative Agent after 1:00 p.m. (New York, New York time) shall be deemed received on the next Business Day. Receipt by the Administrative Agent of any payment intended for any Bank or Banks hereunder prior to 1:00 p.m. (New York, New York time) on any Business Day shall be deemed to constitute receipt by such Bank or Banks on such Business Day. In the case of a payment for the account of a Bank, the Administrative Agent will promptly, but no later than the close of business on the date such payment is deemed received, thereafter distribute the amount so received in like funds to such Bank. If the Administrative Agent shall not have received any payment from the Borrowers as and when due, the Administrative Agent will promptly notify the Banks accordingly. In the event that the Administrative Agent shall fail to make distribution to any Bank as required under this Section 2.9, the Administrative Agent agrees to pay such Bank interest from the date such payment was due until paid at the Federal Funds Rate.

(b) The Borrowers agree to pay, on a joint and several basis, principal, interest, fees and all other amounts due hereunder or under the Notes without set-off or counterclaim or any deduction whatsoever.

(c) Prior to the acceleration of the Loans under Section 8.2 hereof, if some but less than all amounts due from the Borrowers are received by the Administrative Agent with respect to the Obligations, the Administrative Agent shall distribute such amounts in the following order of priority, all on a pro rata basis to the Banks: (i) to the payment on a pro rata basis of any fees or expenses then due and payable to the Administrative Agent or the Banks, or any of them; (ii) to the payment of interest then due and payable on the Loans; (iii) to the payment of all other amounts not otherwise referred to in this Section 2.9(c) then due and payable to the Administrative Agent or the Banks, or any of them, hereunder or under the Notes or any other Loan Document; and (iv) to the payment of principal then due and payable on the Loans.

(d) Subject to any contrary provisions in the definition of Interest Period, if any payment under this Agreement or any of the other Loan Documents is specified to be made on a day which is not a Business Day, it shall be made on the next Business Day, and such extension of time shall in such case be included in computing interest and fees, if any, in connection with such payment.

(e) Each Registered Noteholder (or, if such Registered Noteholder is not the beneficial owner thereof, such beneficial owner) shall deliver to the Borrowers (with a copy to the Administrative Agent) prior to or at the time it becomes a Registered Noteholder, a Form 1001, 4224 or W-8 (or such successor and related forms as may from time to time be adopted by the relevant taxing authorities of the United States of America), together with an annual certificate stating that such Registered Noteholder or beneficial owner, as the case may be, is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code and is not otherwise described in Section 881(c)(3) of the Code. Each Registered Noteholder or beneficial owner, as the case may be, shall promptly notify the Borrowers (with a copy to the Administrative Agent) if at any time, such Registered Noteholder or beneficial owner, as the case may be, determines that it is no longer in a position to make the certification made in such certificate to the Borrowers (or any other form of certification adopted by the relevant taxing authorities of the United States of America for such purposes).

Section 2.10 Reimbursement. -----

(a) Whenever any Bank shall sustain or incur any losses or reasonable out-of-pocket expenses in connection with (i) failure by either Borrower to borrow any LIBOR Advance after having given notice of its intention to borrow in accordance with Section 2.2 hereof (whether by reason of each Borrower's election not to proceed or the non-fulfillment of any of the conditions set forth in Article 3 hereof), or (ii) prepayment (or failure to prepay after giving notice thereof) of any LIBOR Advance in whole or in part for any reason, the

Borrowers agree to pay, on a joint and several basis, to such Bank, upon such Bank's demand, an amount sufficient to compensate such Bank for all such losses and out-of-pocket expenses. Such Bank's good faith determination of the amount of such losses or out-of-pocket expenses, as set forth in writing and accompanied by calculations in reasonable detail demonstrating the basis for its demand, shall be presumptively correct absent manifest error.

(b) Losses subject to reimbursement hereunder shall include, without limiting the generality of the foregoing, lost margins, expenses incurred by any Bank or any participant of such Bank permitted hereunder in connection with the re-employment of funds prepaid, paid, repaid, not borrowed, or not paid, as the case may be, and will be payable whether the Maturity Date is changed by virtue of an amendment hereto (unless such amendment expressly waives such payment) or as a result of acceleration of the Loans.

Section 2.11 Pro Rata Treatment.

(a) Advances. Each Advance from the Banks hereunder shall be made pro rata on the basis of the respective Commitment Ratios of the Banks.

(b) Payments. Each payment and prepayment of principal of the Loans, and, except as provided in Section 2.2(e) hereof and Article 10 hereof, each payment of interest on the Loans, shall be made to the Banks pro rata on the basis of their respective unpaid principal amounts outstanding under the Notes immediately prior to such payment or prepayment. If any Bank shall obtain any payment (whether involuntary, through the exercise of any right of set-off, or otherwise) on account of the Loans in excess of its ratable share of the Loans under its Commitment Ratio, such Bank shall forthwith purchase from the other Banks such participations in the portion of the Loans made by them as shall be necessary to cause such purchasing Bank to share the excess payment ratably with each of them; provided, however, that if all or any portion of such excess payment is thereafter recovered from such purchasing Bank, such purchase from each Bank shall be rescinded and such Bank shall repay to the purchasing Bank the purchase price to the extent of such recovery. The Borrowers agree that any Bank so purchasing a participation from another Bank pursuant to this Section 2.11(b) may, to the fullest extent permitted by law, exercise all its rights of payment (including, without limitation, the right of set-off) with respect to such participation as fully as if such Bank were the direct creditor of the Borrowers in the amount of such participation.

Section 2.12 Capital Adequacy. If after the date hereof, the adoption of

any Applicable Law regarding the capital adequacy of banks or bank holding companies, or any change in Applicable Law (whether adopted before or after the Agreement Date) or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by such Bank (or the bank holding company of such Bank) with any directive regarding capital adequacy (whether or not having the force of law) of any such

governmental authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on any Bank's capital as a consequence of its obligations hereunder with respect to the Loans and the Commitment to a level below that which it could have achieved but for such adoption, change or compliance (taking into consideration such Bank's policies with respect to capital adequacy immediately before such adoption, change or compliance and assuming that such Bank's (or the bank holding company of such Bank) capital was fully utilized prior to such adoption, change or compliance) by an amount reasonably deemed by such Bank to be material, then, upon demand by such Bank, the Borrowers shall promptly pay, on a joint and several basis, to such Bank such additional amounts as shall be sufficient to compensate such Bank for such reduced return, together with interest on such amount from the fourth (4th) Business Day after the date of demand or the Maturity Date, as applicable, until payment in full thereof at the Default Rate. A certificate of such Bank setting forth the amount to be paid to such Bank by the Borrowers as a result of any event referred to in this paragraph and supporting calculations in reasonable detail shall be presumptively correct absent manifest error.

Section 2.13 Bank Tax Forms. On or prior to the Agreement Date and on or

prior to the first Business Day of each calendar year thereafter, each Bank which is organized in a jurisdiction other than the United States shall provide each of the Administrative Agent and the Borrowers (a), if such Bank is a "bank" under Section 881(c)(3)(A) of the Code, with a properly executed originals of Forms 4224 or 1001 (or any successor form) prescribed by the Internal Revenue Service or other documents satisfactory to the Borrowers and the Administrative Agent, and properly executed Internal Revenue Service Forms W-8 or W-9, as the case may be, certifying (i) as to such Bank's status for purposes of determining exemption from United States withholding taxes with respect to all payments to be made to such Bank hereunder and under the Notes or (ii) that all payments to be made to such Bank hereunder and under the Notes are subject to such taxes at a rate reduced to zero by an applicable tax treaty, or (b), if such Bank is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code and intends to claim exemption from U.S. Federal withholding tax under Section 871(h) or 881(c) of the Code with respect to payments of "portfolio interest", a Form W-8, or any subsequent versions thereof or successors thereto (and, if such Bank delivers a Form W-8, a certificate representing that such Bank is not a bank for purposes of Section 881(c) of the Code, is not a ten-percent (10%) shareholder (within the meaning of Section 871(h)(3)(B) of the Code and is not a controlled foreign corporation related to the Borrowers (within the meaning of Section 864(d)(4) of the Code)), properly completed and duly executed by such Bank, indicating that such Bank is entitled to receive payments under this Agreement without deduction or withholding of any United States federal income taxes as permitted by the Code. Each such Bank agrees to provide the Administrative Agent and the Borrowers with new forms prescribed by the Internal Revenue Service upon the expiration or obsolescence of any previously delivered form, or after the occurrence of any event requiring a change in the most recent forms delivered by it to the Administrative Agent and the Borrowers.

ARTICLE 3 Conditions Precedent

Section 3.1 Conditions Precedent to Effectiveness of this Agreement. The

effectiveness of this Agreement is subject to the prior or contemporaneous fulfillment of each of the following conditions:

(a) The Administrative Agent and the Banks shall have received each of the following:

(i) this Agreement duly executed;

(ii) the loan certificate of ATS dated as of the Agreement Date, in substantially the form attached hereto as Exhibit O, including a

certificate of incumbency with respect to each Authorized Signatory of such Person, together with the following items: (A) a true, complete and correct copy of the Certificate of Formation and Limited Partnership and Agreement of Limited Partnership of ATS as in effect on the Agreement Date, (B) certificates of good standing for ATS issued by the Secretary of State or similar state official for the state of formation of ATS and for each state in which ATS is required to qualify to do business and (C) a true, complete and correct copy of the corporate resolutions of the general partner of ATS authorizing ATS to execute, deliver and perform this Agreement and the other Loan Documents;

(iii) the loan certificate of ATS (Delaware) dated as of the Agreement Date, in substantially the form attached hereto as Exhibit P,

including a certificate of incumbency with respect to each Authorized Signatory of such Person, together with the following items: (A) a true, complete and correct copy of the Certificate of Incorporation and By-laws of ATS (Delaware) as in effect on the Agreement Date, (B) certificates of good standing for ATS (Delaware) issued by the Secretary of State or similar state official for the state of incorporation of ATS (Delaware) and for each state in which ATS (Delaware) is required to qualify to do business, (C) a true, complete and correct copy of the corporate resolutions of ATS (Delaware) authorizing ATS (Delaware) to execute, deliver and perform this Agreement and the other Loan Documents, and (D) a true, complete and correct copy of any shareholders' agreements or voting trust agreements in effect with respect to the stock of ATS (Delaware);

(iv) the loan certificate of the Parent dated as of the Agreement Date, in substantially the form attached hereto as Exhibit Q,

including a certificate of incumbency with respect to each Authorized Signatory of such Person, together with the following items: (A) a true, complete and correct copy of the Certificate of Incorporation and By-laws of the Parent as in effect on the Agreement Date,

(B) certificates of good standing for the Parent issued by the Secretary of State or similar state official for the state of incorporation of the Parent and for each state in which the Parent is required to qualify to do business, (C) a true, complete and correct copy of the corporate resolutions of the Parent authorizing the Parent to execute, deliver and perform the Loan Documents to which it is a party, and (D) a true, complete and correct copy of any shareholders' agreements or voting trust agreements in effect with respect to the stock of the Parent;

(v) duly executed Notes;

(vi) duly executed Security Documents;

(vii) copies of insurance binders or certificates covering the assets of the Borrowers and the Restricted Subsidiaries, and otherwise meeting the requirements of Section 5.5 hereof, together with copies of the underlying insurance policies;

(viii) legal opinion of Sullivan & Worcester LLP, counsel to the Borrowers, addressed to each Bank and the Administrative Agent and dated as of the Agreement Date;

(ix) duly executed Certificate of Financial Condition for the Borrowers and the Restricted Subsidiaries on a consolidated and consolidating basis, given by the chief financial officer of ATS (Delaware);

(x) copies of the most recent quarterly financial statements of the Borrowers and the Restricted Subsidiaries provided to each Bank and each Administrative Agent, certified by the chief financial officer of ATS (Delaware);

(xi) duly executed Intercreditor Agreement;

(xii) delivery to the Collateral Agent of all possessory collateral, including, without limitation, any pledged notes or pledged stock; and

(xiii) all such other documents as the Administrative Agent may reasonably request, certified by an appropriate governmental official or an Authorized Signatory if so requested.

(b) The Administrative Agent and the Banks shall have received evidence satisfactory to them that all Necessary Authorizations, other than Necessary Authorizations the absence of which could not reasonably be expected to have, individually or in the aggregate, a Materially Adverse Effect, including all necessary consents to the closing of this Agreement, have been obtained or made, are in full force and effect and are not subject to any pending or, to the knowledge of the Borrowers, threatened reversal or cancellation, and

the Administrative Agent and the Banks shall have received a certificate of an Authorized Signatory so stating.

(c) The Borrowers shall certify to the Administrative Agent and the Banks that each of the representations and warranties in Article 4 hereof are true and correct in all material respects as of the Agreement Date, that no Default or Event of Default then exists or is continuing and that no material adverse change has occurred in the financial condition, business operations, prospects or properties of the Borrowers and the Restricted Subsidiaries, on a consolidated basis, since the most recent fiscal year end and fiscal quarter end, it being understood that the Separation Obligations shall not be deemed to be such a material adverse change.

(d) The Borrowers shall have paid to the Administrative Agent for the account of each Bank the facility fees set forth in those letter agreements dated the Agreement Date in favor of each Bank and any and all fees payable by the Borrowers under the Prior Loan Agreement.

(e) The Administrative Agent and the Banks shall have received evidence satisfactory to them that all conditions precedent to the effectiveness of the ATS Facility B Loan Agreement and the Parent Loan Agreement have been satisfied (other than the provision comparable to this provision) and that the ATS Facility B Loan Agreement and the Parent Loan Agreement have been duly executed.

(f) The Administrative Agent and the Banks shall have received, in form and substance satisfactory to them, evidence that the Parent has received commitments to fund with equity, or has received equity proceeds to pay, one hundred percent (100%) of the tax liabilities that are a part of the Separation Obligations, to the extent such tax liabilities have not been paid.

(g) The Borrower shall have submitted a Request for Advance requesting an Advance under the Term Loan Commitment of not less than \$125,000,000.

Section 3.2 Conditions Precedent to Each Advance. The obligation of the

Banks to make each Advance on or after the Agreement Date is subject to the fulfillment of each of the following conditions immediately prior to or contemporaneously with such Advance:

(a) All of the representations and warranties of the Borrowers under this Agreement and the other Loan Documents (including, without limitation, all representations and warranties with respect to the Restricted Subsidiaries), which, pursuant to Section 4.2 hereof, are made at and as of the time of such Advance, shall be true and correct at such time in all material respects, both before and after giving effect to the application of the proceeds of such Advance, and after giving effect to any updates to information provided to the Banks

in accordance with the terms of such representations and warranties, and no Default hereunder shall then exist or be caused thereby;

(b) With respect to Advances which, if funded, would increase the aggregate principal amount of Loans outstanding hereunder, the Administrative Agent shall have received a duly executed Request for Advance;

(c) The Administrative Agent and the Banks shall have received all such other certificates, reports, statements, opinions of counsel (if such Advance is in connection with an Acquisition) or other documents as the Administrative Agent or any Bank may reasonably request; and

(d) With respect to any Advance relating to any Acquisition or the formation of any Restricted Subsidiary which is permitted hereunder, the Administrative Agent and the Banks shall have received such documents and instruments relating to such Acquisition or formation of a new Restricted Subsidiary as are described in Section 5.13 hereof or otherwise required herein.

ARTICLE 4 Representations and Warranties

Section 4.1 Representations and Warranties. The Borrowers hereby agree,

represent and warrant, upon the Agreement Date and on the date of each Advance, in favor of the Administrative Agent and each Bank that:

(a) Organization; Ownership; Power; Qualification. ATS is a

limited partnership duly organized, validly existing and in good standing under the laws of the State of Delaware, and ATS (Delaware) is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. Each Borrower has the power and authority to own its properties and to carry on its business as now being and as proposed hereafter to be conducted. Except as set forth on Schedule 5 attached hereto, each Restricted Subsidiary

is a corporation duly organized, validly existing and in good standing under the laws of the state of its incorporation and has the corporate power and authority to own its properties and to carry on its business as now being and as proposed hereafter to be conducted. The Borrowers and the Restricted Subsidiaries are duly qualified, in good standing and authorized to do business in each jurisdiction in which the character of their respective properties or the nature of their respective businesses requires such qualification or authorization, except where failure to be so qualified, in the aggregate, could not reasonably be expected to have a Materially Adverse Effect.

(b) Authorization; Enforceability. ATS has the partnership power

and ATS (Delaware) has the corporate power and each has taken all necessary action to authorize it to borrow hereunder, to execute, deliver and perform this Agreement and each of the other Loan

Documents to which it is a party in accordance with their respective terms, and to consummate the transactions contemplated hereby and thereby. This Agreement has been duly executed and delivered by the Borrowers and is, and each of the other Loan Documents to which the Borrowers are parties is, a legal, valid and binding obligation of each Borrower and enforceable against each Borrower in accordance with its terms, subject, as to enforcement of remedies, to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity.

(c) Subsidiaries: Authorization; Enforceability. The Restricted

Subsidiaries and the direct and indirect ownership thereof by ATS and ATS (Delaware) as of the Agreement Date are as set forth on Schedule 2 attached

hereto, and, to the extent such Restricted Subsidiaries are corporations, ATS and ATS (Delaware), as the case may be, have, subject to the provisions of the Security Documents, the unrestricted right to vote the issued and outstanding shares of each directly owned Restricted Subsidiary shown thereon and such shares of such Restricted Subsidiaries have been duly authorized and issued and are fully paid and nonassessable. Each Restricted Subsidiary that is a corporation has the corporate power and has taken all necessary corporate action to authorize it to execute, deliver and perform each of the Loan Documents to which it is a party in accordance with their respective terms and to consummate the transactions contemplated by this Agreement and by such Loan Documents. Each of the Loan Documents to which any Restricted Subsidiary is party is a legal, valid and binding obligation of such Restricted Subsidiary enforceable against such Restricted Subsidiary in accordance with its terms, subject, as to enforcement of remedies, to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity. The ownership interest in each of the Restricted Subsidiaries represents a direct or indirect controlling interest by ATS or ATS (Delaware) of such Restricted Subsidiary for purposes of directing or causing the direction of the management and policies of each Restricted Subsidiary.

(d) Compliance with Other Loan Documents and Contemplated

Transactions. The execution, delivery and performance, in accordance with their respective terms, by the Borrowers of this Agreement and the Notes, and by the Borrowers and the Restricted Subsidiaries of each of the other Loan Documents to which they are respectively party, and the consummation of the transactions contemplated hereby and thereby, do not and will not (i) require any consent or approval, governmental or otherwise, not already obtained, (ii) violate any Applicable Law respecting either Borrower or any Restricted Subsidiary, (iii) conflict with, result in a breach of, or constitute a default under the certificate or articles of incorporation or by-laws or partnership agreements, as the case may be, as amended, of either Borrower or of any Restricted Subsidiary, or under any material indenture, agreement, or other instrument, including without limitation the Licenses, to which either Borrower or any Restricted Subsidiary is a party or by which any of them or their respective properties may be bound, or (iv) result in or require the creation or imposition of any Lien upon or with respect

to any property now owned or hereafter acquired by either Borrower or any Restricted Subsidiary, except for Permitted Liens.

(e) Business. The Borrowers, together with their Subsidiaries, are

engaged in the business of owning, constructing, managing, operating, and investing in communications tower facilities and in the video, voice and data transmission business.

(f) Licenses, etc. The Licenses have been duly issued and are in full

force and effect. The Borrowers and the Restricted Subsidiaries are in compliance in all material respects with all of the provisions thereof. The Borrowers and the Restricted Subsidiaries have secured all Necessary Authorizations, except for such Necessary Authorizations the failure of which to secure would not reasonably be expected to have, individually or in the aggregate, a Materially Adverse Effect, and all such Necessary Authorizations are in full force and effect. Neither any License nor any Necessary Authorization is the subject of any pending or, to the best of either Borrower's knowledge, threatened revocation which, if determined adversely to either Borrower or any Restricted Subsidiary would not reasonably be expected to have, individually or in the aggregate, a Materially Adverse Effect.

(g) Compliance with Law. The Borrowers and the Restricted

Subsidiaries are in compliance with all Applicable Law, except where the failure to be in compliance would not individually or in the aggregate have a Materially Adverse Effect.

(h) Title to Assets. As of the Agreement Date, the Borrowers and the

Restricted Subsidiaries have good, legal and marketable title to, or a valid leasehold interest in, all of their respective assets, except for such exceptions as would not reasonably be expected to have, individually or in the aggregate, a Materially Adverse Effect. None of the properties or assets of either Borrower or any of the Restricted Subsidiaries is subject to any Liens, except for Permitted Liens and Liens under the Prior Loan Agreement and related documents. Except for financing statements evidencing Permitted Liens, no financing statement under the Uniform Commercial Code as in effect in any jurisdiction and no other filing which names either Borrower or any Restricted Subsidiary as debtor or which covers or purports to cover any of the assets of either Borrower or any Restricted Subsidiary is currently effective and on file in any state or other jurisdiction, other than such financing statements, if any, as to which the obligations secured thereby have been repaid in their entirety, and neither Borrower nor any Restricted Subsidiary has signed any such financing statement or filing or any security agreement authorizing any secured party thereunder to file any such financing statement or filing other than the Prior Loan Agreement and related documents.

(i) Litigation. As of the Agreement Date, there is no action, suit,

proceeding or investigation pending against, or, to the knowledge of the Borrowers, threatened against or in any other manner relating adversely to, either Borrower or any Restricted Subsidiary or any of their respective properties, including without limitation the

Licenses, in any court or before any arbitrator of any kind or before or by any governmental body (including, without limitation, the FCC) except as set forth on Schedule 6 attached hereto (as such schedule may be updated from time to

time). No such action, suit, proceeding or investigation (i) calls into question the validity of this Agreement or any other Loan Document, or (ii) individually or collectively involves the possibility of any judgment or liability not fully covered by insurance which, if determined adversely to either Borrower or any Restricted Subsidiary, would have a Materially Adverse Effect.

(j) Taxes. All federal, state and other tax returns of the Borrowers

and each Restricted Subsidiary required by law to be filed have been duly filed and all federal, state and other taxes, including, without limitation, withholding taxes, assessments and other governmental charges or levies required to be paid by either Borrower or any Restricted Subsidiary or imposed upon either Borrower or any Restricted Subsidiary or any of their respective properties, income, profits or assets, which are due and payable, have been paid, except any such taxes (i) (x) the payment of which either Borrower or any Restricted Subsidiary is diligently contesting in good faith by appropriate proceedings, (y) for which adequate reserves have been provided on the books of such Person, and (z) as to which no Lien other than a Permitted Lien has attached and no foreclosure, distraint, sale or similar proceedings have been commenced, or (ii) which may result from audits not yet conducted. The charges, accruals and reserves on the books of each Borrower and each of the Restricted Subsidiaries in respect of taxes are, in the judgment of the Borrowers, adequate.

(k) Financial Statements. The Borrowers have furnished or caused to

be furnished to the Administrative Agent and the Banks as of the Agreement Date, the audited financial statements for the Parent and its Subsidiaries on a consolidated basis for the fiscal year ended December 31, 1997, and unaudited financial statements for the Parent and the Restricted Subsidiaries for the fiscal quarter ended March 31, 1998, all of which have been prepared in accordance with GAAP and present fairly in all material respects the financial position of the Borrowers and the Restricted Subsidiaries on a consolidated basis, on and as at such dates and the results of operations for the periods then ended (subject, in the case of unaudited financial statements, to normal year-end and audit adjustments). Neither Borrower nor any of the Restricted Subsidiaries has any material liabilities, contingent or otherwise, other than as disclosed in the financial statements referred to in the preceding sentence or as set forth or referred to in this Agreement.

(l) No Material Adverse Change. There has occurred no event since

December 31, 1997 which has or which could reasonably be expected to have a Materially Adverse Effect other than the Separation Obligations.

(m) ERISA. Each Borrower and each Restricted Subsidiary and each of

their respective Plans are in compliance with ERISA and the Code, except to the extent that the failure to so comply could not reasonably be expected to have a Materially Adverse Effect, and neither Borrower nor any of their ERISA Affiliates, including their Subsidiaries,

has incurred any accumulated funding deficiency with respect to any such Plan within the meaning of ERISA or the Code. The Borrowers, each of their Restricted Subsidiaries, and each other ERISA Affiliate have complied in all material respects with all requirements of ERISA. Neither Borrower nor any of its Restricted Subsidiaries has made any promises of retirement or other benefits to employees, except as set forth in the Plans, in written agreements with such employees, or in such Person's employee handbook and memoranda to employees. Neither Borrower nor any of its ERISA Affiliates, including their Subsidiaries, has incurred any material liability to PBGC in connection with any such Plan. The assets of each such Plan which is subject to Title IV of ERISA are sufficient to provide the benefits under such Plan, the payment of which PBGC would guarantee if such Plan were terminated, and such assets are also sufficient to provide all other "benefit liabilities" (within the meaning of Section 4041 of ERISA) due under the Plan upon termination. No Reportable Event has occurred and is continuing with respect to any such Plan. No such Plan or trust created thereunder, or party in interest (as defined in Section 3(14) of ERISA), or any fiduciary (as defined in Section 3(21) of ERISA), has engaged in a "prohibited transaction" (as such term is defined in Section 406 of ERISA or Section 4975 of the Code) which would subject such Plan or any other Plan of either Borrower or any Restricted Subsidiary, any trust created thereunder, or any such party in interest or fiduciary, or any party dealing with any such Plan or any such trust, to the tax or penalty on "prohibited transactions" imposed by Section 502 of ERISA or Section 4975 of the Code. Neither Borrower nor any of its ERISA Affiliates, including their Subsidiaries, is or has been obligated to make any payment to a Multiemployer Plan.

(n) Compliance with Regulations T, U and X. Neither Borrower nor any

of the Restricted Subsidiaries is engaged principally or as one of its important activities in the business of extending credit for the purpose of purchasing or carrying, and neither Borrower nor any Restricted Subsidiary owns or presently intends to acquire, any "margin security" or "margin stock" as defined in Regulations T, U, and X (12 C.F.R. Parts 220, 221 and 224) (the "Regulations") of the Board of Governors of the Federal Reserve System (herein called "margin stock"). None of the proceeds of the Loans will be used, directly or indirectly, for the purpose of purchasing or carrying any margin stock or for the purpose of reducing or retiring any Indebtedness which was originally incurred to purchase or carry margin stock or for any other purpose which might constitute this transaction a "purpose credit" within the meaning of the Regulations. Neither Borrower has taken, caused or authorized to be taken, and will not take any action which might cause this Agreement or the Notes to violate any of the Regulations or any other regulation of the Board of Governors of the Federal Reserve System or to violate the Exchange Act, in each case as now in effect or as the same may hereafter be in effect. If so requested by the Administrative Agent, the Borrowers will furnish the Administrative Agent with (i) a statement or statements in conformity with the requirements of Federal Reserve Form U-I referred to in Regulation U of the Board of Governors of the Federal Reserve System and (ii) other documents evidencing its compliance with the margin regulations, reasonably requested by the Administrative Agent. Neither the

making of the Loans nor the use of proceeds thereof will violate, or be inconsistent with, the provisions of any of the Regulations.

(o) Investment Company Act. Neither Borrower nor any of the

Restricted Subsidiaries is required to register under the provisions of the Investment Company Act of 1940, as amended, and neither the entering into or performance by the Borrowers and the Restricted Subsidiaries of this Agreement and the Loan Documents nor the issuance of the Notes violates any provision of such Act or requires any consent, approval or authorization of, or registration with, the Securities and Exchange Commission or any other governmental or public body or authority pursuant to any provisions of such Act.

(p) Governmental Regulation. Neither Borrower nor any of the

Restricted Subsidiaries is required to obtain any consent, approval, authorization, permit or license which has not already been obtained from, or effect any filing or registration which has not already been effected with, any federal, state or local regulatory authority in connection with the execution and delivery of this Agreement or any other Loan Document. Neither Borrower nor any Restricted Subsidiary is required to obtain any consent, approval, authorization, permit or license which has not already been obtained from, or effect any filing or registration which has not already been effected with, any federal, state or local regulatory authority in connection with the performance, in accordance with their respective terms, of this Agreement or any other Loan Document, other than filing of appropriate UCC financing statements.

(q) Absence of Default, Etc. The Borrower and the Restricted

Subsidiaries are in compliance in all respects with all of the provisions of their respective partnership agreements, Certificates or Articles of Incorporation and By-Laws, as the case may be, and no event has occurred or failed to occur (including, without limitation, any matter which could create a Default hereunder by cross-default) which has not been remedied or waived, the occurrence or non-occurrence of which constitutes, (i) a Default or (ii) a material default by either Borrower or any Restricted Subsidiary under any indenture, agreement or other instrument relating to Indebtedness of such Person in the amount of \$1,000,000 or more in the aggregate, any material License, or any judgment, decree or order to which either Borrower or any Restricted Subsidiary is a party or by which either Borrower or any Restricted Subsidiary or any of its respective properties may be bound or affected.

(r) Accuracy and Completeness of Information. All information,

reports, prospectuses and other papers and data relating to the Borrowers or any Restricted Subsidiary and furnished by or on behalf of the Borrowers or any Restricted Subsidiary to the Administrative Agent or the Banks, taken as a whole, were, at the time furnished, true, complete and correct in all material respects to the extent necessary to give the Administrative Agent and the Banks true and accurate knowledge of the subject matter, and all projections, consisting of a statement of operating statistics, an income statement summary, a debt repayment schedule and pro forma compliance calculations (the

"Projections") (i) disclose all assumptions made with respect to costs, general

economic conditions, and financial and market conditions formulating the
Projections; (ii) are based on reasonable estimates and assumptions; and (iii)
reflect, as of the date prepared, and continue to reflect, as of the date
hereof, the reasonable estimate of the Borrowers of the results of operations
and other information projected therein for the periods covered thereby.

(s) Agreements with Affiliates. Except for agreements or arrangements

with Affiliates wherein the Borrowers or one or more of the Restricted
Subsidiaries provides services to or receives services from such Affiliates for
fair consideration or which are set forth on Schedule 7 attached hereto, neither

Borrower nor any Restricted Subsidiary has (i) any written agreements or binding
arrangements of any kind with any Affiliate or (ii) any management or consulting
agreements of any kind with any Affiliate, other than (x) those among the
Borrowers and the Restricted Subsidiaries and/or the Parent, and (y) employment
arrangements with executive officers, including, without limitation, stock
option grants of the Parent.

(t) Payment of Wages. Each Borrower and each Restricted Subsidiary is

in compliance with the Fair Labor Standards Act, as amended, in all material
respects, and to the knowledge of the Borrowers and each Restricted Subsidiary,
such Persons have paid all minimum and overtime wages required by law to be paid
to their respective employees.

(u) Priority. The Security Interest is a valid and, upon filing of

appropriate UCC financing statements and/or mortgages, will be a perfected first
priority security interest in the Collateral in favor of the Administrative
Agent, for the benefit of itself and the Banks, securing, in accordance with the
terms of the Security Documents, the Obligations, and the Collateral is subject
to no Liens other than Permitted Liens. The Liens created by the Security
Documents are enforceable as security for the Obligations in accordance with
their terms with respect to the Collateral subject, as to enforcement of
remedies, to the following qualifications: (i) an order of specific performance
and an injunction are discretionary remedies and, in particular, may not be
available where damages are considered an adequate remedy at law, and (ii)
enforcement may be limited by bankruptcy, insolvency, liquidation,
reorganization, reconstruction and other similar laws affecting enforcement of
creditors' rights generally (insofar as any such law relates to the bankruptcy,
insolvency or similar event of either Borrower or any of the Restricted
Subsidiaries, as the case may be).

(v) Indebtedness. Except as shown on the financial statements of the

Parent for the fiscal quarter ended March 31, 1998, or as described on Schedule
8 attached hereto, none of the Parent, either Borrower, nor any of the

Restricted Subsidiaries has outstanding, as of the Agreement Date, and after
giving effect to the initial Advances hereunder on the Agreement Date, any
Indebtedness for Money Borrowed.

(w) Solvency. As of the Agreement Date and after giving effect to the

transactions contemplated by the Loan Documents (i) the property of the
Borrowers, at a fair valuation, will exceed their debt; (ii) the capital of the
Borrowers will not be unreasonably

small to conduct their business; (iii) the Borrowers will not have incurred debts, or have intended to incur debts, beyond their ability to pay such debts as they mature; and (iv) the present fair salable value of the assets of the Borrowers will be greater than the amount that will be required to pay their probable liabilities (including debts) as they become absolute and matured. For purposes of this Section, "debt" means any liability on a claim, and "claim"

means (i) the right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, undisputed, legal, equitable, secured or unsecured, or (ii) the right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, undisputed, secured or unsecured.

(x) Year 2000 Compliance.

(i) The Borrowers have (i) begun analyzing the operations of the Borrowers and their Subsidiaries that could be adversely affected by failure to become Year 2000 compliant (that is, that computer applications, imbedded microchips and other systems will be able to perform date-sensitive functions prior to and after December 31, 1999) and (ii) developed a plan for becoming Year 2000 compliant in a timely manner, the implementation of which is on schedule in all material respects. The Borrowers reasonably believe that they will become Year 2000 compliant for their operations and those of their Subsidiaries on a timely basis except to the extent that a failure to do so could not reasonably be expected to have a Materially Adverse Effect.

(ii) The Borrowers reasonably believe any suppliers and vendors that are material to the operations of the Borrowers or their Subsidiaries will be Year 2000 compliant for their own computer applications except to the extent that a failure to do so could not reasonably be expected to have a Materially Adverse Effect.

(iii) The Borrowers will promptly notify the Administrative Agent and the Banks in the event the Borrowers determine that any computer application which is material to the operations of the Borrowers, their Subsidiaries or any of their material vendors or suppliers will not be fully Year 2000 compliant on a timely basis, except to the extent that such failure could not reasonably be expected to have a Materially Adverse Effect.

Section 4.2 Survival of Representations and Warranties, Etc. All

representations and warranties made under this Agreement and any other Loan Document shall be deemed to be made, and shall be true and correct in all material respects, at and as of the Agreement Date and on the date of each Advance except to the extent relating specifically to the Agreement Date. All representations and warranties made under this Agreement and the other Loan Documents shall survive, and not be waived by, the execution hereof by the Banks and the Administrative Agent, any investigation or inquiry by any Bank or the Administrative Agent, or the making of any Advance under this Agreement.

ARTICLE 5 General Covenants

So long as any of the Obligations is outstanding and unpaid or the Banks have an obligation to fund Advances hereunder (whether or not the conditions to borrowing have been or can be fulfilled), and unless the Majority Banks, or such greater number of Banks as may be expressly provided herein, shall otherwise consent in writing:

Section 5.1 Preservation of Existence and Similar Matters. Except as

permitted under Section 7.4 hereof, the Borrowers will, and will cause each of the Restricted Subsidiaries to:

(a) preserve and maintain its existence, and its material rights, franchises, licenses and privileges in the state of its incorporation, including, without limiting the foregoing, the licenses and all other Necessary Authorizations, except where the failure to do so could not reasonably be expected to have a Materially Adverse Effect; and

(b) qualify and remain qualified and authorized to do business in each jurisdiction in which the character of its properties or the nature of its business requires such qualification or authorization, except for such failure to so qualify and be so authorized as could not reasonably be expected to have a Materially Adverse Effect.

Section 5.2 Business; Compliance with Applicable Law. The Borrowers will,

and will cause each of the Restricted Subsidiaries to, (a) engage in the business of owning, constructing, managing, operating and investing in communications tower facilities and related businesses and not engage in any unrelated activities, and (b) comply in all material respects with the requirements of all Applicable Law.

Section 5.3 Maintenance of Properties. The Borrowers will, and will cause

each of the Restricted Subsidiaries to, maintain or cause to be maintained in the ordinary course of business in good repair, working order and condition (reasonable wear and tear excepted) all properties used in their respective businesses (whether owned or held under lease), other than obsolete equipment or unused assets and from time to time make or cause to be made all

needed and appropriate repairs, renewals, replacements, additions, betterments and improvements thereto.

Section 5.4 Accounting Methods and Financial Records. The Borrowers will,

and will cause each of the Restricted Subsidiaries on a consolidated and consolidating basis to, maintain a system of accounting established and administered in accordance with GAAP, keep adequate records and books of account in which complete entries will be made in accordance with GAAP and reflecting all transactions required to be reflected by GAAP, and keep accurate and complete records of their respective properties and assets. The Borrowers and the Restricted Subsidiaries will maintain a fiscal year ending on December 31.

Section 5.5 Insurance. The Borrowers will, and will cause each of the

Restricted Subsidiaries to:

(a) Maintain insurance including, but not limited to, business interruption coverage and public liability coverage insurance from responsible companies in such amounts and against such risks to the Borrowers and each Restricted Subsidiary as is prudent for similarly situated companies engaged in the communications tower industry.

(b) Keep their respective assets insured by insurers on terms and in a manner reasonably acceptable to the Administrative Agent against loss or damage by fire, theft, burglary, loss in transit, explosions and hazards insured against by extended coverage, in amounts which are prudent for the communications tower management and operation industry and reasonably satisfactory to the Administrative Agent, all premiums thereon to be paid by the Borrowers and the Restricted Subsidiaries.

(c) Require that each insurance policy provide for at least thirty (30) days' prior written notice to the Collateral Agent of any termination of or proposed cancellation or nonrenewal of such policy, and name the Collateral Agent as additional named lender loss payee and, as appropriate, additional insured, to the extent of the Obligations.

Section 5.6 Payment of Taxes and Claims. The Borrowers will, and will

cause each Restricted Subsidiary to, pay and discharge all taxes, including, without limitation, withholding taxes, assessments and governmental charges or levies required to be paid by them or imposed upon them or their income or profits or upon any properties belonging to them, prior to the date on which penalties attach thereto, and all lawful claims for labor, materials and supplies which, if unpaid, might become a Lien or charge upon any of their properties; provided, however, that no such tax, assessment, charge, levy or

claim need be paid which is being diligently contested in good faith by appropriate proceedings and for which adequate reserves shall have been set aside on the appropriate books, but only so long as such tax, assessment, charge, levy or claim does not become a Lien or charge other than a Permitted Lien and no foreclosure, distraint, sale or similar proceedings shall have been commenced. The

Borrowers will, and will cause each Restricted Subsidiary to, timely file all information returns required by federal, state or local tax authorities.

Section 5.7 Compliance with ERISA.

(a) The Borrowers shall, and shall cause their Subsidiaries to, make all contributions to any Employee Pension Plan when such contributions are due and not incur any "accumulated funding deficiency" within the meaning of Section 412(a) of the Code, whether or not waived, and will otherwise comply with the requirements of the Code and ERISA with respect to the operation of all Plans, except to the extent that the failure to so comply could not have a Materially Adverse Effect.

(b) The Borrowers shall, and shall cause their Subsidiaries to, comply in all respects with the requirements of ERISA with respect to any Plans subject to the requirements thereof, except to the extent that the failure to so comply could not have a Materially Adverse Effect.

(c) The Borrowers shall furnish to the Administrative Agent (i) within 30 days after any officer of ATS (Delaware) or ATSC GP obtains knowledge that a "prohibited transaction" (within the meaning of Section 406 of ERISA or Section 4975 of the Code) has occurred with respect to any Plan of either Borrower or their ERISA Affiliates, including their Subsidiaries, that any Reportable Event has occurred with respect to any Employee Pension Plan or that PBGC has instituted or will institute proceedings under Title IV of ERISA to terminate any Employee Pension Plan or to appoint a trustee to administer any Employee Pension Plan, a statement setting forth the details as to such prohibited transaction, Reportable Event or termination or appointment proceedings and the action which it (or any other Employee Pension Plan sponsor if other than a Borrower) proposes to take with respect thereto, together with a copy of the notice of such Reportable Event given to PBGC if a copy of such notice is available to a Borrower, any of its Subsidiaries or any of its ERISA Affiliates, (ii) promptly after receipt thereof, a copy of any notice either Borrower, any of its Subsidiaries or any of their ERISA Affiliates or the sponsor of any Plan receives from PBGC or the Internal Revenue Service or the Department of Labor which sets forth or proposes any action or determination with respect to such Plan, (iii) promptly after the filing thereof, any annual report required to be filed pursuant to ERISA in connection with each Plan maintained by either Borrower or any of its ERISA Affiliates, including their Subsidiaries, and (iv) promptly upon the Administrative Agent's request therefor, such additional information concerning any such Plan as may be reasonably requested by the Administrative Agent.

(d) The Borrowers will promptly notify the Administrative Agent of any excise taxes which have been assessed or which either Borrower, any of its Subsidiaries or any of its ERISA Affiliates has reason to believe may be assessed against either Borrower, any of its Subsidiaries or any of its ERISA Affiliates by the Internal Revenue Service or the

Department of Labor with respect to any Plan of either Borrower or its ERISA Affiliates, including its Subsidiaries.

(e) Within the time required for notice to the PBGC under Section 302(f)(4)(A) of ERISA, the Borrowers will notify the Administrative Agent of any lien arising under Section 302(f) of ERISA in favor of any Plan of either Borrower or its ERISA Affiliates, including its Subsidiaries.

(f) The Borrowers will not, and will not permit any of their Subsidiaries or any of their ERISA Affiliates, to take any of the following actions or permit any of the following events to occur if such action or event together with all other such actions or events would subject either Borrower, any of its Subsidiaries, or any of its ERISA Affiliates to any tax, penalty, or other liabilities which could have a Materially Adverse Effect:

(i) engage in any transaction in connection with which either Borrower, any of its Subsidiaries or any ERISA Affiliate could be subject to either a civil penalty assessed pursuant to Section 502(i) of ERISA or a tax imposed by Section 4975 of the Code;

(ii) terminate any Employee Pension Plan in a manner, or take any other action, which could result in any liability of either Borrower, any of its Subsidiaries or any ERISA Affiliate to the PBGC;

(iii) fail to make full payment when due of all amounts which, under the provisions of any Plan, either Borrower, any of its Subsidiaries or any ERISA Affiliate is required to pay as contributions thereto, or permit to exist any accumulated funding deficiency within the meaning of Section 412(a) of the Code, whether or not waived, with respect to any Employee Pension Plan; or

(iv) permit the present value of all benefit liabilities under all Employee Pension Plans which are subject to Title IV of ERISA to exceed the present value of the assets of such Plans allocable to such benefit liabilities (within the meaning of Section 4041 of ERISA), except as may be permitted under actuarial funding standards adopted in accordance with Section 412 of the Code.

Section 5.8 Visits and Inspections. The Borrowers will, and will cause

each Restricted Subsidiary to, permit representatives of the Administrative Agent and any of the Banks, upon reasonable notice, to (a) visit and inspect the properties of the Borrowers or any Restricted Subsidiary during business hours, (b) inspect and make extracts from and copies of their respective books and records, and (c) discuss with their respective principal officers their respective businesses, assets, liabilities, financial positions, results of operations and business prospects. The Borrowers and each Restricted Subsidiary will also permit representatives of the Administrative Agent and any of the Banks to discuss with their

respective accountants the businesses, assets, liabilities, financial positions, results of operations and business prospects of such Person.

Section 5.9 Payment of Indebtedness; Loans. Subject to any provisions

herein or in any other Loan Document, the Borrowers will, and will cause each Restricted Subsidiary to, pay any and all of their respective Indebtedness when and as it becomes due, other than amounts diligently disputed in good faith and for which adequate reserves have been set aside in accordance with GAAP.

Section 5.10 Use of Proceeds. The Borrowers will use the aggregate

proceeds of all Advances under the Loans directly or indirectly:

(a) to refinance the Indebtedness for Money Borrowed as set forth on Schedule 8 attached hereto;

(b) to fund Acquisitions and Investments (including, without limitation, investments in Unrestricted Subsidiaries) permitted under Section 7.6 hereof;

(c) to fund Capital Expenditures; and

(d) for working capital needs and other general corporate purposes of the Borrowers and the Restricted Subsidiaries, including, without limitation, the fees and expenses incurred in connection with the execution and delivery of this Agreement, to make advances to the Parent to fund the Separation Obligations (other than the tax portion of the Separation Obligation), and other costs associated with transactions contemplated by this Agreement, in each case, which do not otherwise conflict with this Section 5.10.

No proceeds of Advances hereunder shall be used for the purchase or carrying or the extension of credit for the purpose of purchasing or carrying, any margin stock within the meaning of the Regulations.

Section 5.11 Indemnity. The Borrowers jointly and severally agree to

indemnify and hold harmless each Bank, the Administrative Agent, and each of their respective affiliates, employees, representatives, shareholders, officers and directors (any of the foregoing shall be an "Indemnatee") from and against

any and all claims, liabilities, losses, damages, actions, reasonable attorneys' fees and expenses (as such fees and expenses are incurred) and demands by any party, including the costs of investigating and defending such claims, whether or not either Borrower, any Restricted Subsidiary or the Person seeking indemnification is the prevailing party (a) resulting from any breach or alleged breach by either Borrower or any Restricted Subsidiary of any representation or warranty made hereunder or under any Loan Document; or (b) otherwise arising out of (i) the Commitment or otherwise under this Agreement, any Loan Document or any transaction contemplated hereby or thereby, including, without limitation, the use of the proceeds of Loans hereunder

in any fashion by either Borrower or the performance of their respective obligations under the Loan Documents by either Borrower or any Restricted Subsidiary, (ii) allegations of any participation by the Banks, the Administrative Agent, or any of them, in the affairs of either Borrower or any of its Subsidiaries, or allegations that any of them has any joint liability with either Borrower or any of its Restricted Subsidiaries for any reason, (iii) any claims against the Banks, the Administrative Agent, or any of them, by any shareholder or other investor in or lender to either Borrower or any of the Restricted Subsidiaries, by any brokers or finders or investment advisers or investment bankers retained by either Borrower or by any other third party, arising out of the Commitment or otherwise under this Agreement; or (c) in connection with taxes (not including federal or state income or franchise taxes or other taxes based solely upon the revenues or income of such Persons), fees, and other charges payable in connection with the Loans, or the execution, delivery, and enforcement of this Agreement, the Security Documents, the other Loan Documents, and any amendments thereto or waivers of any of the provisions thereof, unless the Person seeking indemnification hereunder is determined in such case to have acted with gross negligence or willful misconduct, in any case, by a final, non-appealable judicial order. The obligations of the Borrowers under this Section 5.11 are in addition to, and shall not otherwise limit, any liabilities which either Borrower might otherwise have in connection with any warranties or similar obligations of such Person in any other Loan Document.

Section 5.12 Interest Rate Hedging. Within sixty (60) days of the

Agreement Date and forty-five (45) days after each Advance, the Borrowers shall enter into (and shall at all times thereafter maintain for a period of not less than two (2) years) one or more Interest Hedge Agreements with respect to the interest obligations on not less than fifty percent (50%) of the principal amount of the Loans and Facility B Loans outstanding from time to time. Such Interest Hedge Agreements shall provide interest rate protection in conformity with International Swap Dealers Association standards and for an average period of at least two (2) years from the date of such Interest Hedge Agreements or, if earlier, until the Maturity Date on terms reasonably acceptable to the Administrative Agent, such terms to include consideration of the creditworthiness of the other party to the proposed Interest Hedge Agreement. All Obligations of the Borrowers to either the Administrative Agent or any of the Banks pursuant to any Interest Hedge Agreement and all Liens granted to secure such Obligations shall rank pari passu with all other Obligations and Liens securing such other Obligations up to the then effective amount of the Commitments; and any Interest Hedge Agreement between either Borrower and any other Person shall be unsecured.

Section 5.13 Covenants Regarding Formation of Restricted Subsidiaries and

Acquisitions; Partnership, Subsidiaries. At the time of (i) any Acquisition

permitted hereunder, (ii) the purchase by either Borrower or any of the Restricted Subsidiaries of any interests in any Restricted or Unrestricted Subsidiary, or (iii) the formation of any new Restricted or Unrestricted Subsidiary which is permitted under this Agreement, the Borrowers will, and will cause the Restricted Subsidiaries, as appropriate, to (a) provide to the Collateral Agent an executed Subsidiary Security Agreement for any new Restricted

Subsidiary, in substantially the form of Exhibit M attached hereto, together

with appropriate UCC-1 financing statements, as well as an executed
Subsidiary Guaranty for such new Restricted Subsidiary, in substantially the
form of Exhibit K attached hereto, which shall constitute both Security

Documents and Loan Documents for purposes of this Agreement, as well as a loan
certificate for such new Restricted Subsidiary, substantially in the form of
Exhibit R attached hereto, together with appropriate attachments; (b) pledge to

the Collateral Agent all of the stock or partnership interests (or other
instruments or securities evidencing ownership) of such Restricted Subsidiary or
Unrestricted Subsidiary or Person which is acquired or formed, beneficially
owned by either Borrower or any Restricted Subsidiary, as the case may be, as
additional Collateral for the Obligations to be held by the Collateral Agent in
accordance with the terms of the Pledge Agreement or a new Subsidiary Pledge
Agreement in substantially the form of Exhibit L attached hereto, and execute

and deliver to the Collateral Agent all such documentation for such pledge as,
in the reasonable opinion of the Administrative Agent, is appropriate; and (c)
with respect to any Acquisition or Restricted Subsidiary, provide revised
financial projections for the remainder of the fiscal year and for each
subsequent year until the Maturity Date which reflect such Acquisition or
formation, certified by the Chief Financial Officer of ATS, together with a
statement by such Person that no Default exists or would be caused by such
Acquisition or formation, and all other documentation, including one or more
opinions of counsel, reasonably satisfactory to the Administrative Agent which
in its reasonable opinion is appropriate with respect to such Acquisition or the
formation of such Subsidiary. Notwithstanding the foregoing, neither Borrower
shall be required to pledge any of the stock of or other ownership interests for
any Unrestricted Subsidiary which (x) was not formed or created in anticipation
of such Person's direct or indirect investment therein (other than to facilitate
a transaction of the nature referred to in clause (y) following) and (y) at the
time such stock or ownership interest was acquired by such Person is subject to
a restriction on any such Lien (whether such restriction is in such Person's
formation documents or otherwise), but shall be required to grant the Collateral
Agent (for the benefit of the Banks) a Lien upon any right to receive
distributions from such Unrestricted Subsidiary. Any document, agreement or
instrument (other than the Projections) executed or issued pursuant to this
Section 5.13 shall be a "Loan Document" for purposes of this Agreement.

Section 5.14 Payment of Wages. The Borrowers shall, and shall cause each

Restricted Subsidiary to, at all times comply, in all material respects, with
the material requirements of the Fair Labor Standards Act, as amended,
including, without limitation, the provisions of such Act relating to the
payment of minimum and overtime wages as the same may become due from time to
time.

Section 5.15 Further Assurances. The Borrowers will promptly cure, or

cause to be cured, defects in the creation and issuance of any of the Notes and
the execution and delivery of the Loan Documents (including, without limitation,
this Agreement), resulting from any acts or failure to act by either Borrower or
any of the Restricted Subsidiaries or any employee or officer thereof. The
Borrowers at their expense will promptly execute and deliver to the

Administrative Agent and the Banks, or cause to be executed and delivered to the Administrative Agent and the Banks, all such other and further documents, agreements, and instruments in compliance with or accomplishment of the covenants and agreements in the Loan Documents, including this Agreement, or to correct any omissions in the Loan Documents, or more fully to state the obligations set out herein or in any of the Loan Documents, or to obtain any consents, all as may be necessary or appropriate in connection therewith and as may be reasonably requested.

ARTICLE 6 Information Covenants

So long as any of the Obligations is outstanding and unpaid or the Banks have an obligation to fund Advances hereunder (whether or not the conditions to borrowing have been or can be fulfilled) and unless the Majority Banks shall otherwise consent in writing, the Borrowers will furnish or cause to be furnished to each Bank and the Administrative Agent, at their respective offices:

Section 6.1 Quarterly Financial Statements and Information Within forty-five (45) days after the last day of each of the first three (3) quarters of each fiscal year of the Borrowers, the balance sheets of the Borrowers on a consolidated basis with the Restricted Subsidiaries and a consolidating basis with their Unrestricted Subsidiaries as at the end of such quarter and as of the end of the preceding fiscal year, and the related statements of operations and the related statements of cash flows of the Borrowers on a consolidated basis with the Restricted Subsidiaries and a consolidating basis with their Unrestricted Subsidiaries for such quarter and for the elapsed portion of the year ended with the last day of such quarter, which shall set forth in comparative form such figures as at the end of and for such quarter and appropriate prior period and shall be certified by the Chief Financial Officer of ATS (Delaware) to have been prepared in accordance with GAAP and to present fairly in all material respects the financial position of the Borrowers on a consolidated basis with the Restricted Subsidiaries and a consolidating basis with its Unrestricted Subsidiaries as at the end of such period and the results of operations for such period, and for the elapsed portion of the year ended with the last day of such period, subject only to normal year-end and audit adjustments.

Section 6.2 Annual Financial Statements and Information. Within ninety (90) days after the end of each fiscal year of the Borrowers, the audited consolidated balance sheet of the Borrowers and the Restricted Subsidiaries (and unaudited consolidating balance sheet of the Borrowers and the Unrestricted Subsidiaries) as of the end of such fiscal year and the related audited consolidated and unaudited consolidating statements of operations for such fiscal year and for the previous fiscal year, the related audited consolidated statements of cash flow and stockholders' equity for such fiscal year and for the previous fiscal year, which shall be accompanied by an opinion of Deloitte & Touche, LLP, or other independent certified public accountants of recognized national standing reasonably acceptable to the

Administrative Agent, which shall be in scope and substance reasonably satisfactory to the Administrative Agent, together with a statement of such accountants that in connection with their audit, nothing came to their attention that caused them to believe that the Borrowers were not in compliance with the terms, covenants, provisions or conditions of Sections 7.8, 7.9, 7.10, 7.11 and 7.12 hereof insofar as they relate to accounting matters.

Section 6.3 Performance Certificates. At the time the financial

statements are furnished pursuant to Sections 6.1 and 6.2 hereof, a certificate of the president or chief financial officer of ATS (Delaware) as to their financial performance, in substantially the form attached hereto as Exhibit S:

(a) setting forth as and at the end of such quarterly period or fiscal year, as the case may be, the arithmetical calculations required to establish (i) any adjustment to the Applicable Margins, as provided for in Section 2.3(f) hereof, and (ii) whether or not the Borrowers were in compliance with the requirements of Sections 7.8, 7.9, 7.10, 7.11 and 7.12 hereof;

(b) stating that, to the best of his or her knowledge, no Default has occurred as at the end of such quarterly period or year, as the case may be, or, if a Default has occurred, disclosing each such Default and its nature, when it occurred, whether it is continuing and the steps being taken by the Borrowers with respect to such Default;

(c) containing a list of all Acquisitions, Investments, Restricted Payments and dispositions of assets from the Agreement Date through the date of such certificate, together with the total amount for each of the foregoing categories; and

(d) setting forth the amount of distributions received from Unrestricted Subsidiaries for such period.

Section 6.4 Copies of Other Reports.

(a) Promptly upon receipt thereof, copies of all reports, if any, submitted to either Borrower by its independent public accountants regarding such Borrower, including, without limitation, any management report prepared in connection with the annual audit referred to in Section 6.2 hereof.

(b) Promptly upon receipt thereof, copies of any material adverse notice or report regarding any License from the FCC.

(c) From time to time and promptly upon each request, such data, certificates, reports, statements, documents or further information regarding the business, assets, liabilities, financial position, projections, results of operations or business prospects of

the Borrowers, or any of the Restricted Subsidiaries, as the Administrative Agent or any Bank may reasonably request.

(d) Annually, certificates of insurance indicating that the requirements of Section 5.5 hereof remain satisfied for such fiscal year, together with copies of any new or replacement insurance policies obtained during such year.

(e) Prior to January 31st of each year, the annual budget for the Borrowers and the Restricted Subsidiaries, including, without limitation, forecasts of the income statement, the balance sheet and a cash flow statement for such year, on a quarter by quarter basis.

(f) Promptly after the sending thereof, copies of all statements, reports and other information which the Parent sends to public security holders of the Parent generally or files with the Securities and Exchange Commission or any national securities exchange.

Section 6.5 Notice of Litigation and Other Matters. Notice specifying the

nature and status of any of the following events, promptly, but in any event not later than fifteen (15) days after the occurrence of any of the following events becomes known to either Borrower:

(a) the commencement of all proceedings and investigations by or before any governmental body and all actions and proceedings in any court or before any arbitrator against either Borrower or any Restricted Subsidiary, or, to the extent known to either Borrower, which could have a Materially Adverse Effect;

(b) any material adverse change with respect to the business, assets, liabilities, financial position, results of operations or business prospects of either Borrower and the Restricted Subsidiaries, taken as a whole, other than changes in the ordinary course of business which have not had and would not reasonably be expected to have a Materially Adverse Effect and other than changes in the industry in which either Borrower or any of the Restricted Subsidiaries operate which would not reasonably be expected to have a Materially Adverse Effect;

(c) any material adverse amendment or change to the projections or annual budget provided to the Banks hereunder;

(d) any Default or the occurrence or non-occurrence of any event (i) which constitutes, or which with the passage of time or giving of notice or both would constitute, a default by either Borrower or any of the Restricted Subsidiaries under any material agreement other than this Agreement and the other Loan Documents to which either Borrower or any of the Restricted Subsidiaries is party or by which any of their respective properties may be bound, or (ii) which could have a Materially Adverse Effect, giving in

each case a description thereof and specifying the action proposed to be taken with respect thereto;

(e) the occurrence of any Reportable Event or a "prohibited transaction" (as such term is defined in Section 406 of ERISA or Section 4975 of the Code) with respect to any Plan of either Borrower or any of its Subsidiaries or the institution or threatened institution by PBGC of proceedings under ERISA to terminate or to partially terminate any such Plan or the commencement or threatened commencement of any litigation regarding any such Plan or naming it or the trustee of any such Plan with respect to such Plan or any action taken by either Borrower, any of its Subsidiaries or any ERISA Affiliate of either Borrower to withdraw or partially withdraw from any Plan or to terminate any Plan; and

(f) the occurrence of any event subsequent to the Agreement Date which, if such event had occurred prior to the Agreement Date, would have constituted an exception to the representation and warranty in Section 4.1(m) hereof.

ARTICLE 7 Negative Covenants

So long as any of the Obligations is outstanding and unpaid or the Banks have an obligation to fund Advances hereunder (whether or not the conditions to borrowing have been or can be fulfilled) and unless the Majority Banks, or such greater number of Banks as may be expressly provided herein, shall otherwise give their prior consent in writing:

Section 7.1 Indebtedness of the Borrowers and their Subsidiaries. The

Borrowers shall not, and shall not permit any of their Subsidiaries to, create, assume, incur or otherwise become or remain obligated in respect of, or permit to be outstanding, any Indebtedness except:

(a) the Obligations;

(b) "Obligations" under the ATS Facility B Loan Agreement and "Obligations" under the Parent Loan Agreement;

(c) accounts payable, accrued expenses (including, without limitation, taxes) and customer advance payments incurred in the ordinary course of business;

(d) Indebtedness secured by Permitted Liens;

(e) obligations under Interest Hedge Agreements with respect to the Loans and the Facility B Loans;

(f) Indebtedness of either Borrower or any of the Restricted Subsidiaries to either Borrower or any other Restricted Subsidiary; provided, -----
however, that the corresponding debt instruments are pledged to the

Administrative Agent as security for the Obligations and such Indebtedness is expressly permitted pursuant to Section 7.5 hereof;

(g) Indebtedness incurred by any Unrestricted Subsidiary; provided, -----
however, that such Indebtedness is non-recourse to the Borrowers or any

Restricted Subsidiary and no Lien is placed on the equity interests of the Borrowers or any Restricted Subsidiary in such Unrestricted Subsidiary;

(h) Capitalized Lease Obligations not to exceed in the aggregate at any one time outstanding \$5,000,000; and

(i) Indebtedness of either Borrower or any of the Restricted Subsidiaries incurred in connection with an Acquisition; provided, however, that -----

(i) such Indebtedness (A) is owed to the seller thereof, (B) is unsecured, (C) has no scheduled payment of principal prior to the full payment of the Obligations, (D) is subject to terms and conditions and subordination provisions which are acceptable to the Majority Banks on the date of incurrence, (E) when added to all other Indebtedness outstanding under this Section 7.1(i) does not exceed \$25,000,000, and (ii) the Borrowers are, at the time of incurrence of such Indebtedness (and after giving effect thereto), in pro forma compliance with all of the covenants contained in this Agreement.

Section 7.2 Limitation on Liens. The Borrowers shall not, and shall not -----
permit any of the Restricted Subsidiaries to, create, assume, incur or permit to exist or to be created, assumed, incurred or permitted to exist, directly or indirectly, any Lien on any of its properties or assets, whether now owned or hereafter acquired, except for Permitted Liens.

Section 7.3 Amendment and Waiver. The Borrowers shall not, and shall not -----
permit any of the Restricted Subsidiaries to, enter into any amendment of, or agree to or accept or consent to any waiver of any of the material provisions of its Articles or Certificate of Incorporation or partnership agreement, as appropriate, if the effect thereof would be to adversely affect the rights of the Banks hereunder or under any Loan Document.

Section 7.4 Liquidation, Merger or Disposition of Assets.

(a) Disposition of Assets. The Borrowers shall not, and shall not -----
permit any of the Restricted Subsidiaries to, at any time sell, lease, abandon, or otherwise dispose of any assets (other than assets disposed of in the ordinary course of business) without the prior written consent of all of the Banks; provided, however, that the prior written consent of the Banks shall not -----

be required for (i) the transfer of assets (including cash or cash equivalents) among the Borrowers and the Restricted Subsidiaries (excluding Subsidiaries of such Persons described in clause (b) of the definition of "Subsidiary") or for the transfer of assets (including cash or cash equivalents) between or among Restricted Subsidiaries (excluding

Subsidiaries of such Persons described in clause (b) of the definition of "Subsidiary") or (ii) the disposition of assets that contribute, in the aggregate, less than (A) fifteen percent (15%) of Annualized Operating Cash Flow of the Borrowers and the Restricted Subsidiaries as of the calendar quarter end immediately preceding such disposition, and (B) twenty-five percent (25%) of the Operating Cash Flow of the Borrowers and the Restricted Subsidiaries for the period from the Agreement Date through the date of such disposition; provided

further, however, that, in each case, no Default or Event of Default exists and

none shall be caused to occur as a result thereof. Upon any sale or disposition of a Restricted Subsidiary permitted hereunder, the Administrative Agent and the Banks shall, at Borrowers' expense, take such actions as the Borrowers reasonably requests to cause such Restricted Subsidiary to be released from its obligations under its Subsidiary Guaranty.

(b) Liquidation or Merger. The Borrowers shall not, and shall not

permit any of the Restricted Subsidiaries to, at any time, liquidate or dissolve itself (or suffer any liquidation or dissolution) or otherwise wind up, or enter into any merger, other than (i) a merger or consolidation among the Borrowers or among either Borrower and one or more Restricted Subsidiaries, provided,

however, that either Borrower, as the case may be, is the surviving Person, or

(ii) a merger between or among two (2) or more Restricted Subsidiaries, or (iii) in connection with an Acquisition permitted hereunder effected by a merger in which either Borrower, as the case may be, or, in a merger in which neither Borrower is a party, a Restricted Subsidiary is the surviving Person or the surviving Person becomes a Restricted Subsidiary, or (iv) a merger or consolidation among the Borrowers, or either Borrower, or any Restricted Subsidiary on the one hand, and any Person, on the other hand, where the surviving Person (A) is a corporation, partnership, or limited liability company organized and existing under the laws of the United States of America, any State thereof or the District of Columbia, and (B) on the effective date of such merger or consolidation expressly assume, by supplemental agreement, executed and delivered to the Administrative Agent, for the benefit of itself and the Banks, in form and substance reasonably satisfactory to the Majority Banks, all the Obligations of the Borrowers, or Borrower, or such restricted Subsidiary, as the case may be, under the Notes, the Agreement and the other Loan Documents; provided further, however, that, in each case, no Default or Event of Default

exists and none shall be caused to occur as a result thereof.

Section 7.5 Limitation on Guaranties. The Borrowers shall not, and shall

not permit any of the Restricted Subsidiaries to, at any time Guaranty, assume, be obligated with respect to, or permit to be outstanding any Guaranty of, any obligation of any other Person other than (a) a guaranty by endorsement of negotiable instruments for collection in the ordinary course of business, (b) obligations under agreements of either Borrower or any of the Restricted Subsidiaries entered into in connection with Acquisitions permitted under this Agreement, leases of real property or the acquisition or furnishing of services, supplies and equipment in the ordinary course of business of either Borrower or any of the Restricted Subsidiaries, (c) Guaranties of Indebtedness incurred as permitted pursuant to Section 7.1 hereof, (d) as may be contained in any Loan Document including, without limitation, any

Subsidiary Guaranty, or (e) Guaranties of the "Obligations" under the Parent Loan Agreement or the ATS Facility B Loan Agreement.

Section 7.6 Investments and Acquisitions. The Borrowers shall not, and

shall not permit any of the Restricted Subsidiaries to, directly or indirectly, make any loan or advance, or otherwise acquire for consideration evidences of Indebtedness, capital stock or other securities of any Person or other assets or property (other than assets or property in the ordinary course of business), or make any Acquisition or Investment; provided, however, that the Borrowers and

the Restricted Subsidiaries may:

(a) directly or through a brokerage account (i) purchase marketable, direct obligations of the United States of America, its agencies and instrumentalities maturing within three hundred sixty-five (365) days of the date of purchase, (ii) purchase commercial paper, money-market funds and business savings accounts issued by corporations, each of which shall have a combined net worth of at least \$100,000,000 and each of which conducts a substantial part of its business in the United States of America, maturing within two hundred seventy (270) days from the date of the original issue thereof, and rated "P-2" or better by Moody's Investors Service, Inc. or "A-2" or better by Standard and Poor's Ratings Group, a division of McGraw-Hill, (iii) purchase repurchase agreements, bankers' acceptances, and domestic and Eurodollar certificates of deposit maturing within three hundred sixty-five (365) days of the date of purchase which are issued by, or time deposits maintained with, a United States national or state bank the deposits of which are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation and having capital, surplus and undivided profits totaling more than \$100,000,000 and rated "A" or better by Moody's Investors Service, Inc. or Standard and Poor's Ratings Group, a division of McGraw-Hill, Inc.;

(b) so long as no Default then exists or would be caused thereby, establish Unrestricted Subsidiaries and make Investments in such Unrestricted Subsidiaries of up to, in the aggregate, at any time, the sum of (i) \$50,000,000 with loans borrowed under the ATS Facility A Loan Agreement or the ATS Facility B Loan Agreement, and (ii) equity proceeds not used to pay the Separation Obligations or to make Investments permitted under Sections 7.6(c) and (d) hereof;

(c) so long as no Default then exists or would be caused thereby, and subject to compliance with Section 5.13 hereof, make Acquisitions; provided,

however, that Acquisitions of communications sites and tower management

businesses shall not exceed, in the aggregate, at any time, the sum of (i) \$50,000,000 and (ii) equity proceeds not used to pay the Separation Obligations after the Agreement Date or to make Investments permitted under Sections 7.6(b) and (d) hereof;

(d) so long as no Default then exists or would be caused thereby and subject to compliance with Section 5.13 hereof, make Investments in communications site

and related companies in an amount not to exceed, in the aggregate, at any time, the sum of (i) \$25,000,000 and (ii) equity proceeds not used to pay the Separation Obligations or to make Investments permitted under Sections 7.6(b) and (c) hereof; provided, however, that the Parent, either Borrower or any of their Subsidiaries has executed a binding acquisition or merger agreement with such company;

(e) make Investments consisting of the Sconnix Note; and

(f) (i) make loans and advances to employees in the ordinary course of business and (ii) receive notes from employees in an amount not to exceed \$2,000,000 in the aggregate outstanding at any time in connection with the exercise of stock options.

Section 7.7 Restricted Payments. The Borrowers shall not, and shall not permit any of the Restricted Subsidiaries to, directly or indirectly declare or make any Restricted Payment; provided, however, that so long as no Default or Event of Default hereunder then exists or would be caused thereby, the Borrowers may make (a) subject to Section 2.7(b)(iv) hereof, cash distributions in an aggregate amount for both Borrowers not to exceed fifty percent (50%) of Excess Cash Flow for the immediately preceding calendar year, on or after April 15/th/ of each calendar year commencing on April 15, 2002; (b) subject to Section 2.7(b)(v) hereof, unrestricted cash distributions in an amount in the aggregate, not to exceed the net proceeds of any debt or equity issued after the Agreement Date; and (c) scheduled principal and interest payments on any Indebtedness of the Parent which is permitted hereunder.

Section 7.8 Senior Leverage Ratio. (a) As of the end of any calendar quarter, and (b) at the time of any Advance hereunder (after giving effect to such Advance), the Borrowers shall not permit the Senior Leverage Ratio to exceed the ratios set forth below during the periods indicated:

Period	Ratio
-----	-----
Closing through September 29, 1999	6.50:1
September 30, 1999 through September 29, 2000	6.25:1
September 30, 2000 through March 30, 2001	6.00:1
March 31, 2001 through June 29, 2001	5.75:1
June 30, 2001 through September 29, 2001	5.50:1
September 30, 2001 through December 30, 2001	5.25:1
December 31, 2001 through March 30, 2002	4.75:1
March 31, 2002 through June 29, 2002	4.50:1
June 30, 2002 through September 29, 2002	4.25:1
September 30, 2002 through December 30, 2002	4.00:1
December 31, 2002 through March 30, 2003	3.75:1
March 31, 2003 through June 29, 2003	3.50:1
June 30, 2003 through September 29, 2003	3.25:1
September 30, 2003 and thereafter	3.00:1

Section 7.9 Total Leverage Ratio. (a) As of the end of any calendar

quarter, and (b) at the time of any Advance hereunder (after giving effect to such Advance), the Borrowers shall not permit the ratio of (i) Total Debt on such date to (ii) Annualized Operating Cash Flow to exceed the ratios set forth below during the periods indicated:

Period	Ratio
-----	-----
Closing through September 29, 1999	8.00:1
September 30, 1999 through September 29, 2000	7.75:1
September 30, 2000 through March 30, 2001	7.50:1
March 31, 2001 through June 29, 2001	6.75:1
June 30, 2001 through September 29, 2001	6.50:1
September 30, 2001 through December 30, 2001	6.25:1
December 31, 2001 through March 30, 2002	5.75:1
March 31, 2002 through June 29, 2002	5.50:1
June 30, 2002 through September 29, 2002	5.25:1
September 30, 2002 through December 30, 2002	5.00:1
December 31, 2002 through March 30, 2003	4.75:1
March 31, 2003 through June 29, 2003	4.50:1
June 30, 2003 through September 29, 2003	4.25:1
September 30, 2003 and thereafter	4.00:1

Section 7.10 Interest Coverage Ratio. The Borrowers shall maintain, on a

consolidated basis, at all times during the applicable periods set forth below, an Interest Coverage Ratio for such fiscal quarter of not less than the ratio set forth below opposite each such period:

Period -----	Ratio -----
Agreement Date through March 30, 2001	1.50:1
March 31, 2001 through March 30, 2002	1.75:1
March 31, 2002 through December 30, 2002	2.00:1
December 31, 2002 through December 30, 2003	2.25:1
December 31, 2003 and thereafter	2.50:1

Section 7.11 Annualized Operating Cash Flow to Pro Forma Debt Service. (a)

As of the end of any calendar quarter, and (b) at the time of any Advance hereunder (after giving effect to such Advance), the Borrowers, on a consolidated basis, shall not permit the ratio of (i) Annualized Operating Cash Flow to (ii) Pro Forma Debt Service to be less than the ratio set forth below opposite each such period:

Period -----	Ratio -----
Agreement Date through March 30, 2000	1.10:1
March 31, 2000 through December 30, 2002	1:15:1
December 31, 2002 and thereafter	1:50:1

Section 7.12 Fixed Charge Coverage Ratio.(a) As of the end of any

calendar quarter, and (b) at the time of any Advance hereunder (after giving effect to such Advance), the Borrowers, on a consolidated basis, shall not permit the Fixed Charges Coverage Ratio to be less than or equal to 1.05 to 1.

Section 7.13 Affiliate Transactions. Except as specifically provided

herein (including, without limitation, Sections 7.4, 7.6 and 7.7 hereof) and as may be described on Schedule 7 attached hereto, the Borrowers shall not, and

shall not permit any of the Restricted Subsidiaries to, at any time engage in any transaction with an Affiliate, other than between or among either Borrower and any wholly-owned Restricted Subsidiary, or make an assignment or other transfer of any of its properties or assets to any Affiliate, on terms less advantageous to such Borrower or such Restricted Subsidiary than would be the case if such transaction had been effected with a non-Affiliate.

Section 7.14 ERISA Liabilities. The Borrowers shall not, and shall cause

each of their ERISA Affiliates not to, (a) permit the assets of any of their respective Plans to be less than the amount necessary to provide all accrued benefits under such Plans, or (b) enter into any Multiemployer Plan.

Section 7.15 Sales and Leasebacks. The Borrowers will not and will not

permit any Restricted Subsidiary to enter into, any arrangement, directly or indirectly, with any third

party whereby either Borrower or a Restricted Subsidiary shall sell or transfer any property, real or personal, whether now owned or hereafter acquired, and whereby either Borrower or such Restricted Subsidiary shall then or thereafter rent or lease as lessee such property or any part thereof or other property which either Borrower or such Restricted Subsidiary intends to use for substantially the same purpose or purposes as the property sold or transferred.

ARTICLE 8 Default

Section 8.1 Events of Default. Each of the following shall constitute an

Event of Default, whatever the reason for such event and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment or order of any court or any order, rule or regulation of any governmental or non-governmental body:

(a) Any representation or warranty made under this Agreement shall prove incorrect or misleading in any material respect when made or deemed to be made pursuant to Section 4.2 hereof;

(b) The Borrowers shall default in the payment of (i) any interest under any of the Notes or fees or other amounts payable to the Banks and the Administrative Agent under any of the Loan Documents, or any of them, when due, and such Default shall not be cured by payment in full within three (3) Business Days from the due date or (ii) any principal under any of the Notes when due;

(c) The Borrowers shall default in the performance or observance of any agreement or covenant contained in Sections 5.2(a), 5.10, 7.1, 7.2, 7.4, 7.5, 7.7, 7.8, 7.9, 7.10, 7.11 and 7.12 hereof;

(d) The Borrowers shall default in the performance or observance of any other agreement or covenant contained in this Agreement not specifically referred to elsewhere in this Section 8.1, and such default shall not be curable within a period of thirty (30) days (or with respect to Sections 5.3, 5.4, 5.5, 5.6, 5.7, 5.8, 5.9, 5.14, 5.15, 5.16, 6.4, 6.5, 7.3, 7.13, 7.14 and 7.15 hereof, such longer period not to exceed sixty (60) days if such default is curable within such period and the Borrowers are proceeding in good faith with all diligent efforts to cure such default) from the later of (i) occurrence of such Default and (ii) the date on which such Default became known to the Borrowers;

(e) There shall occur any default in the performance or observance of any agreement or covenant or breach of any representation or warranty contained in any of the Loan Documents (other than this Agreement or as otherwise provided in this Section 8.1) by the Borrowers, any of the Restricted Subsidiaries, or any other obligor thereunder, which shall not be cured within a period of thirty (30) days (or such longer period not to exceed sixty (60) days if such default is curable within such period and the Borrowers or such

Restricted Subsidiaries or other obligor are proceeding in good faith with all diligent efforts to cure such default) from the date on which such default became known to the Borrowers;

(f) There shall be entered and remain unstayed a decree or order for relief in respect of either Borrower or any of the Restricted Subsidiaries under Title 11 of the United States Code, as now constituted or hereafter amended, or any other applicable Federal or state bankruptcy law or other similar law, or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or similar official of either Borrower or any of the Restricted Subsidiaries, or of any substantial part of their respective properties, or ordering the winding-up or liquidation of the affairs of either Borrower or any of the Restricted Subsidiaries; or an involuntary petition shall be filed against either Borrower or any of the Restricted Subsidiaries and a temporary stay entered, and (i) such petition and stay shall not be diligently contested, or (ii) any such petition and stay shall continue undismissed for a period of ninety (90) consecutive days;

(g) Either Borrower or any of the Restricted Subsidiaries shall file a petition, answer or consent seeking relief under Title 11 of the United States Code, as now constituted or hereafter amended, or any other applicable Federal or state bankruptcy law or other similar law, or either Borrower or any of the Restricted Subsidiaries shall consent to the institution of proceedings thereunder or to the filing of any such petition or to the appointment or taking of possession of a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of either Borrower or any of the Restricted Subsidiaries or of any substantial part of their respective properties, or either Borrower or any of the Restricted Subsidiaries shall fail generally to pay their respective debts as they become due or shall be adjudicated insolvent; either Borrower, as the case may be, shall suspend or discontinue its business, except as permitted by Section 7.4 hereof; either Borrower or any of the Restricted Subsidiaries shall have concealed, removed any of its property with the intent to hinder or defraud its creditors or shall have made a fraudulent or preferential transfer under any applicable fraudulent conveyance or bankruptcy law; or either Borrower or any of the Restricted Subsidiaries shall take any action in furtherance of any such action;

(h) A judgment not covered by insurance or indemnification, where the indemnifying party has agreed to indemnify and is financially able to do so, shall be entered by any court against either Borrower or any of the Restricted Subsidiaries for the payment of money which exceeds singly, or in the aggregate with other such judgments, \$10,000,000, or a warrant of attachment or execution or similar process shall be issued or levied against property of either Borrower or any of the Restricted Subsidiaries which, together with all other such property of either Borrower or any of the Restricted Subsidiaries subject to other such process, exceeds in value \$10,000,000 in the aggregate, and if, within thirty (30) days after the entry, issue or levy thereof, such judgment, warrant or process shall not have been paid or discharged or stayed pending appeal or removed to bond, or if, after the expiration of any such stay, such judgment, warrant or process, shall not have been paid or discharged or removed to bond;

(i) There shall be at any time any "accumulated funding deficiency," as defined in ERISA or in Section 412 of the Code, with respect to any Plan maintained by either Borrower or any of its Subsidiaries or any ERISA Affiliate, or to which either Borrower or any of its Subsidiaries or any ERISA Affiliate has any liabilities, or any trust created thereunder; or a trustee shall be appointed by a United States District Court to administer any such Plan; or PBGC shall institute proceedings to terminate any such Plan; or either Borrower or any of its Subsidiaries or any ERISA Affiliate shall incur any liability to PBGC in connection with the termination of any such Plan; or any Plan or trust created under any Plan of either Borrower or any of its Subsidiaries or any ERISA Affiliate shall engage in a "prohibited transaction" (as such term is defined in Section 406 of ERISA or Section 4975 of the Code) which would subject any such Plan, any trust created thereunder, any trustee or administrator thereof, or any party dealing with any such Plan or trust to the tax or penalty on "prohibited transactions" imposed by Section 502 of ERISA or Section 4975 of the Code;

(j) There shall occur (i) any acceleration of the maturity of any Indebtedness of either Borrower or any of the Restricted Subsidiaries (other than the ATS Facility B Loan Agreement) in an aggregate principal amount exceeding \$5,000,000, or, as a result of a failure to comply with the terms thereof, such Indebtedness shall otherwise have become due and payable; (ii) any event or condition the occurrence of which would permit such acceleration of such Indebtedness, or which, as a result of a failure to comply with the terms thereof, would make such Indebtedness otherwise due and payable, and which event or condition has not been cured within any applicable cure period or waived in writing prior to any declaration of an Event of Default or acceleration of the Loans hereunder; or (iii) any material default under any Interest Hedge Agreement which would permit the obligation of either Borrower to make payments to the counterparty thereunder to be then due and payable;

(k) The Borrowers and the Restricted Subsidiaries are for any reason no longer able to operate or manage the related communications tower facilities or portions thereof and retain the revenue received therefrom, and the overall effect of which would be to reduce Annualized Operating Cash Flow (determined as at the last day of the most recently ended fiscal year of the Borrowers) by ten percent (10%) or more;

(1) Any material Loan Document, or any material provision thereof, shall at any time and for any reason be declared by a court of competent jurisdiction to be null and void, or a proceeding shall be commenced by either Borrower or any of the Restricted Subsidiaries or by any governmental authority having jurisdiction over the Borrower or any of the Restricted Subsidiaries seeking to establish the invalidity or unenforceability thereof (exclusive of questions of interpretation of any provision thereof), or either Borrower or any of the Restricted Subsidiaries shall deny that it has any liability or obligation for the payment of principal or interest purported to be created under any Loan Document;

(m) Any material Security Document shall, for any reason, fail or cease (except by reason of lapse of time) to create a valid and perfected and first-priority Lien on or Security Interest in any material portion of the Collateral purported to be covered thereby;

(n) There shall occur any Change of Control;

(o) Either Borrower or any of the Restricted Subsidiaries shall be indicted under the Racketeer Influenced and Corrupt Organizations Act of 1970 (18 U.S.C. (S) 1961 et seq.) ;
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(p) There shall occur and be continuing any "Event of Default" (in each case, as defined therein) under the Parent Loan Agreement or the ATS Facility B Loan Agreement;

(q) The Parent shall incur any Indebtedness for Money Borrowed other than under the Parent Loan Agreement (or any refinancing thereof which does not exceed the principal amount outstanding on the date of such refinancing); or

(r) The Parent shall, without the consent of the Required Lenders (which consent may not be unreasonably withheld, delayed or conditioned), (i) prepay all or a part of the principal amount of the Indebtedness outstanding under the Parent Loan Agreement or (ii) make any material amendment, modification, supplement or restatement to the Parent Loan Agreement or the documents pertaining to the Interim Financing.

Section 8.2 Remedies. -----

(a) If an Event of Default specified in Section 8.1 (other than an Event of Default under Section 8.1(f) or (g) hereof) shall have occurred and shall be continuing, the Administrative Agent, at the request of the Majority Banks but subject to Section 9.8 hereof, shall (i) terminate the Revolving Loan Commitment or any remaining Term Loan Commitment, and/or (ii) declare the principal of and interest on the Loans and the Notes and all other amounts owed to the Banks and the Administrative Agent under this Agreement, the Notes and any other Loan Documents to be forthwith due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived, anything in this Agreement, the Notes or any other Loan Document to the contrary notwithstanding, and the Revolving Loan Commitment and any Term Loan Commitment shall thereupon forthwith terminate.

(b) Upon the occurrence and continuance of an Event of Default specified in Section 8.1(f) or (g) hereof, all principal, interest and other amounts due hereunder and under the Notes, and all other Obligations, shall thereupon and concurrently therewith become due and payable and the Revolving Loan Commitment shall forthwith terminate and the principal amount of the Loans outstanding hereunder shall bear interest at the Default

Rate, all without any action by the Administrative Agent or the Banks or the Majority Banks or any of them and without presentment, demand, protest or other notice of any kind, all of which are expressly waived, anything in this Agreement or in the other Loan Documents to the contrary notwithstanding.

(c) Upon acceleration of the Notes, as provided in subsection (a) or (b) of this Section 8.2, the Administrative Agent and the Banks shall have all of the post-default rights granted to them, or any of them, as applicable under the Loan Documents and under Applicable Law.

(d) Upon acceleration of the Notes, as provided in subsection (a) or (b) of this Section 8.2, the Administrative Agent shall have the right (but not the obligation) upon the request of the Banks to operate the communications tower facilities of the Borrowers and the Restricted Subsidiaries and pursuant to the terms and subject to any limitations contained in the Security Documents and, within guidelines established by the Majority Banks, to make any and all payments and expenditures necessary or desirable in connection therewith, including, without limitation, payment of wages as required under the Fair Labor Standards Act, as amended, and of any necessary withholding taxes to state or federal authorities. In the event the Majority Banks fail to agree upon the guidelines referred to in the preceding sentence within six (6) Business Days' after the Administrative Agent has begun to operate the communications tower facilities, the Administrative Agent may, after giving three (3) days' prior written notice to the Banks of its intention to do so, make such payments and expenditures as it deems reasonable and advisable in its sole discretion to maintain the normal day-to-day operation of such communications tower facilities. Such payments and expenditures in excess of receipts shall constitute Advances under the Revolving Loan Commitment, not in excess of the amount of the Revolving Loan Commitment. Advances made pursuant to this Section 8.2(d) shall bear interest as provided in Section 2.3(d) hereof and shall be payable by the Borrowers on demand. The making of one or more Advances under this Section 8.2(d) shall not create any obligation on the part of the Banks to make any additional Advances hereunder. No exercise by the Administrative Agent of the rights granted to it under this Section 8.2(d) shall constitute a waiver of any other rights and remedies granted to the Administrative Agent and the Banks, or any of them, under this Agreement or at law. Each Borrower hereby irrevocably appoints the Administrative Agent as agent for the Banks, the true and lawful attorney of each of them, in its name and stead and on its behalf, to execute, receipt for or otherwise act in connection with any and all contracts, instruments or other documents in connection with the completion and operation of the communications tower facilities in the exercise of the Administrative Agent's and the Banks' rights under this Section 8.2(d). Such power of attorney is coupled with an interest and is irrevocable. The rights of the Administrative Agent under this Section 8.2(d) shall be subject to its prior compliance with the Communications Act and the FCC rules and policies promulgated thereunder to the extent applicable to the exercise of such rights.

(e) Upon acceleration of the Notes, as provided in subsection (a) or (b) of this Section 8.2, the Administrative Agent, upon request of the Majority Banks, shall have the right to appoint a receiver for the properties and assets of the Borrowers and the Restricted Subsidiaries, and each Borrower, for itself and on behalf of its Restricted Subsidiaries, hereby consents to such rights and such appointment and hereby waives any objection either Borrower or any Restricted Subsidiary may have thereto or the right to have a bond or other security posted by the Administrative Agent, on behalf of the Banks, in connection therewith. The rights of the Administrative Agent under this Section 8.2(e) shall be subject to its prior compliance with the Communications Act and the FCC rules and policies promulgated thereunder to the extent applicable to the exercise of such rights.

(f) The rights and remedies of the Administrative Agent and the Banks hereunder shall be cumulative, and not exclusive.

Section 8.3 Payments Subsequent to Declaration of Event of Default.

Subsequent to the acceleration of the Loans under Section 8.2 hereof, payments and prepayments under this Agreement made to the Administrative Agent and the Banks or otherwise received by any of such Persons (from realization on Collateral for the Obligations or otherwise) shall be paid over to the Administrative Agent (if necessary) and distributed by the Administrative Agent as follows: first, to the Administrative Agent's reasonable costs and expenses,

if any, incurred in connection with the collection of such payment or prepayment, including, without limitation, any reasonable costs incurred by it in connection with the sale or disposition of any Collateral for the Obligations and all amounts under Section 11.2(b) hereof; second, to the Banks or the

Administrative Agent for any fees hereunder or under any of the other Loan Documents then due and payable; third, to the Banks pro rata on the basis of

their respective unpaid principal amounts (except as provided in Section 2.2(e) hereof), to the payment of any unpaid interest which may have accrued on the Obligations; fourth, to the Banks pro rata until all Loans have been paid in

full (and, for purposes of this clause, obligations under Interest Hedge Agreements with the Banks or any of them shall be paid on a pro rata basis with the Loans); fifth, to the Banks pro rata on the basis of their respective unpaid

amounts, to the payment of any other unpaid Obligations; and sixth, to the

Borrowers or as otherwise required by law.

ARTICLE 9 The Administrative Agent and The Collateral Agent

Section 9.1 Appointment and Authorization. Each Bank hereby irrevocably

appoints and authorizes, and hereby agrees that it will require any transferee of any of its interest in its portion of the Loans and in its Note irrevocably to appoint and authorize, the Administrative Agent to take such actions as its agent on its behalf and to exercise such powers hereunder and under the other Loan Documents as are delegated by the terms hereof and thereof, together with such powers as are reasonably incidental thereto. Neither the Administrative Agent, nor any of its respective directors, officers, employees or agents, shall

be liable 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 as determined by a final, non-appealable judicial order of a court of competent jurisdiction.

Section 9.2 Interest Holders. The Administrative Agent may treat each

Bank, or the Person designated in the last notice filed with the Administrative Agent, as the holder of all of the interests of such Bank in its portion of the Loans and in its Note until written notice of transfer, signed by such Bank (or the Person designated in the last notice filed with the Administrative Agent) and by the Person designated in such written notice of transfer, in form and substance satisfactory to the Administrative Agent, shall have been filed with the Administrative Agent.

Section 9.3 Consultation with Counsel. The Administrative Agent may

consult with Powell, Goldstein, Frazer & Murphy LLP, Atlanta, Georgia, special counsel to the Administrative Agent, or with other legal counsel selected by it and shall not be liable for any action taken or suffered by it in good faith in consultation with the Majority Banks and in reasonable reliance on such consultations.

Section 9.4 Documents. The Administrative Agent shall be under no duty to

examine, inquire into, or pass upon the validity, effectiveness or genuineness of this Agreement, any Note, any other Loan Document, or any instrument, document or communication furnished pursuant hereto or in connection herewith, and the Administrative Agent shall be entitled to assume that they are valid, effective and genuine, have been signed or sent by the proper parties and are what they purport to be.

Section 9.5 Administrative Agent and Affiliates. With respect to the

Commitment and the Loans, the Administrative Agent shall have the same rights and powers hereunder as any other Bank and the Administrative Agent and Affiliates of the Administrative Agent may accept deposits from, lend money to and generally engage in any kind of business with either Borrower, any of its Subsidiaries or other Affiliates of, or Persons doing business with, either Borrower, any of its Subsidiaries or other Affiliates, as if they were not affiliated with the Administrative Agent and without any obligation to account therefor.

Section 9.6 Responsibility of the Administrative Agent. The duties and

obligations of the Administrative Agent under this Agreement are only those expressly set forth in this Agreement. The Administrative Agent shall be entitled to assume that no Default or Event of Default has occurred and is continuing unless it has actual knowledge, or has been notified in writing by either Borrower, of such fact, or has been notified by a Bank in writing that such Bank considers that a Default or an Event of Default has occurred and is continuing, and such Bank shall specify in detail the nature thereof in writing. The Administrative Agent shall not be liable hereunder for any action taken or omitted to be taken except for its own gross negligence or willful misconduct as determined by a final, non-appealable judicial order of a court of competent jurisdiction. The Administrative Agent shall provide each Bank with

copies of such documents received from the Borrowers as such Bank may reasonably request.

Section 9.7 Action by the Administrative Agent.

(a) The Administrative Agent shall be entitled to use its discretion with respect to exercising or refraining from exercising any rights which may be vested in it by, and with respect to taking or refraining from taking any action or actions which it may be able to take under or in respect of, this Agreement, unless the Administrative Agent shall have been instructed by the Majority Banks to exercise or refrain from exercising such rights or to take or refrain from taking such action; provided, however, that the Administrative Agent shall not

exercise any rights under Section 8.2(a) hereof without the request of the Majority Banks (or, where expressly required, all the Banks), unless time is of the essence, in which case, such action can be taken at the request of the Administrative Agent. The Administrative Agent shall incur no liability under or in respect of this Agreement with respect to anything which it may do or refrain from doing in the reasonable exercise of its judgment or which may seem to it to be necessary or desirable in the circumstances, except for its gross negligence or willful misconduct as determined by a final, non-appealable judicial order of a court having jurisdiction over the subject matter.

(b) The Administrative Agent shall not be liable to the Banks or to any Bank or to either Borrower or any of its Subsidiaries in acting or refraining from acting under this Agreement or any other Loan Document in accordance with the instructions of the Majority Banks (or, where expressly required, all of the Banks), and any action taken or failure to act pursuant to such instructions shall be binding on all of the Banks, except for its gross negligence or willful misconduct as determined by a final, non-appealable judicial order of a court having jurisdiction over the subject matter. The Administrative Agent shall not be obligated to take any action which is contrary to law or which would in its reasonable opinion subject it to liability.

Section 9.8 Notice of Default or Event of Default. In the event that the

Administrative Agent or any Bank shall acquire actual knowledge, or shall have been notified, of any Default or Event of Default, the Administrative Agent or such Bank shall promptly notify the Banks (provided, however, that the failure

to give such notice shall not result in any liability on the part of such Bank or Administrative Agent), and the Administrative Agent shall take such action and assert such rights under this Agreement and the other Loan Documents as the Majority Banks shall request in writing, and the Administrative Agent shall not be subject to any liability by reason of its acting pursuant to any such request. If the Majority Banks shall fail to request the Administrative Agent to take action or to assert rights under this Agreement or any other Loan Documents in respect of any Default or Event of Default within ten (10) days after their receipt of the notice of any Default or Event of Default from the Administrative Agent or any Bank, or shall request inconsistent action with respect to such Default or Event of Default, the Administrative

Agent may, but shall not be required to, take such action and assert such rights (other than rights under Article 8 hereof) as it deems in its discretion to be advisable for the protection of the Banks, except that, if the Majority Banks have instructed the Administrative Agent not to take such action or assert such right, in no event shall the Administrative Agent act contrary to such instructions, unless time is of the essence, in which case, the Administrative Agent may act in accordance with its reasonable discretion.

Section 9.9 Responsibility Disclaimed. The Administrative Agent shall not

be under any liability or responsibility whatsoever as Administrative Agent:

(a) To either Borrower or any other Person as a consequence of any failure or delay in performance by, or any breach by, any Bank or Banks of any of its or their obligations under this Agreement;

(b) To any Bank or Banks as a consequence of any failure or delay in performance by, or any breach by, (i) the Borrowers of any of their obligations under this Agreement or the Notes or any other Loan Document, or (ii) any Restricted Subsidiary or any other obligor under any other Loan Document;

(c) To any Bank or Banks, for any statements, representations or warranties in this Agreement, or any other document contemplated by this Agreement or any information provided pursuant to this Agreement, any other Loan Document, or any other document contemplated by this Agreement, or for the validity, effectiveness, enforceability or sufficiency of this Agreement, the Notes, any other Loan Document, or any other document contemplated by this Agreement; or

(d) To any Person for any act or omission other than that arising from gross negligence or willful misconduct of the Administrative Agent as determined by a final, non-appealable judicial order of a court of competent jurisdiction.

Section 9.10 Indemnification. The Banks agree to indemnify the

Administrative Agent (to the extent not reimbursed by the Borrowers) pro rata according to their respective Commitment Ratios, from and against any and all liabilities, obligations, losses (other than the loss of principal, interest and fees hereunder in the event of a bankruptcy or out-of-court 'work-out' of the Loans), damages, penalties, actions, judgments, suits, costs, expenses (including, without limitation, fees and expenses of experts, agents, consultants and counsel), or disbursements of any kind or 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 other Loan Document, or any other document contemplated by this Agreement or any other Loan Document or any action taken or omitted by the Administrative Agent under this Agreement, any other Loan Document, or any other document contemplated by this Agreement, except that no Bank shall be liable to the Administrative Agent for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits,

costs, expenses, or disbursements resulting from the gross negligence or willful misconduct of the Administrative Agent as determined by a final, non-appealable judicial order of a court having jurisdiction over the subject matter.

Section 9.11 Credit Decision. Each Bank represents and warrants to each

other and to the Administrative Agent that:

(a) In making its decision to enter into this Agreement and to make its portion of the Loans it has independently taken whatever steps it considers necessary to evaluate the financial condition and affairs of the Borrowers and that it has made an independent credit judgment, and that it has not relied upon the Administrative Agent or information provided by the Administrative Agent (other than information provided to the Administrative Agent by the Borrowers and forwarded by the Administrative Agent to the Banks); and

(b) So long as any portion of the Loans remains outstanding or such Bank has an obligation to make its portion of Advances hereunder, it will continue to make its own independent evaluation of the financial condition and affairs of the Borrowers.

Section 9.12 Successor Administrative Agent. Subject to the appointment

and acceptance of a successor Administrative Agent as provided below, the Administrative Agent may resign at any time by giving written notice thereof to the Banks and the Borrowers and may be removed at any time for cause by the Majority Banks. Upon any such resignation or removal, the Majority Banks shall have the right to appoint a successor Administrative Agent which appointment shall, prior to a Default, be subject to the consent of the Borrowers, acting reasonably. If (a) no successor Administrative Agent shall have been so appointed by the Majority Banks or (b) if appointed, no successor Administrative Agent shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent gave notice of resignation or the Majority Banks removed the retiring Administrative Agent, then the retiring Administrative Agent may, on behalf of the Banks, appoint a successor Administrative Agent which shall be any Bank or a commercial bank organized under the laws of the United States of America or any political subdivision thereof which has combined capital and reserves in excess of \$250,000,000 and which shall be reasonably acceptable to the Borrowers. Upon the acceptance of any appointment as 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, duties and obligations of the retiring Administrative Agent and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents. After any retiring Administrative Agent's resignation or removal hereunder as Administrative Agent the provisions of this Article 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. In the event that the Administrative Agent or any of its respective Affiliates ceases to be a Bank hereunder, such Person shall resign its agency hereunder.

Section 9.13 Delegation of Duties. The Administrative Agent may execute

any of its duties under the Loan Documents by or through agents or attorneys selected by it using reasonable care, and shall be entitled to advice of counsel concerning all matters pertaining to such duties.

Section 9.14 Collateral Agent. Each Bank and the Administrative Agent

hereby irrevocably appoints and authorizes, and hereby agrees that it will require any transferee of any of its interest in its Loans and in its Notes irrevocably to appoint and authorize, the Collateral Agent to take such actions as its agent on its behalf and to exercise such powers under the Security Documents as are delegated by the terms thereof, together with such powers as are reasonably incidental thereto. Neither the Collateral Agent nor any of its directors, officers, employees, or agents shall be liable for any action taken or omitted to be taken by it or them under any of the Security Documents or in connection therewith, except for its or their own gross negligence or willful misconduct as determined by a final non-appealable judicial order of a court of competent jurisdiction. The Collateral Agent may execute any of its duties under the Loan Documents by or through agents or attorneys selected by it using reasonable care and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Collateral Agent shall not be responsible to any Bank for the negligence or misconduct of any agents or attorneys selected by it with reasonable care. The Collateral Agent may treat each Bank, or the Person designated in the last notice filed with the Administrative Agent under Section 9.3 of this Agreement, as the holder of all of the interests of such Bank in its Loans and in its Notes until written notice of transfer, signed by such Bank (or the Person designated in the last notice filed with the Administrative Agent) and by the Person designated in such written notice of transfer, in form and substance satisfactory to the Administrative Agent, shall have been filed with the Administrative Agent. The Collateral Agent may consult with legal counsel selected by it and shall not be liable for any action taken or suffered by it in good faith in reliance thereon. The Collateral Agent shall not be under any duty to examine, inquire into, or pass upon the validity, effectiveness, or genuineness of any Security Document or other document, or communication furnished pursuant thereto or in connection therewith, and the Collateral Agent shall be entitled to assume that they are valid, effective, and genuine, have been signed or sent by the proper parties, and are what they purport to be. The Collateral Agent shall be entitled to use its discretion with respect to exercising or refraining from exercising any rights which may be vested in it by, and with respect to taking or refraining from taking any action or actions which it may be able to take under or in respect of, any Security Document, unless the Collateral Agent shall have been instructed by the Required Lenders to exercise or refrain from exercising such rights or to take or refrain from taking such action, provided that the Collateral Agent shall not exercise any rights under any Security Document without the request of the Required Lenders unless time is of the essence, in which case, such action can be taken. The Collateral Agent shall incur no liability under or in respect of any Security Document with respect to anything which it may do or refrain from doing in the reasonable exercise of its judgment or which may seem to it to

be necessary or desirable in the circumstances, except for its gross negligence or willful misconduct as determined by a final, non-appealable judicial order of a court of competent jurisdiction. The Collateral Agent shall not be liable to the Banks or to any Bank in acting or refraining from acting under any Security Document in accordance with the instructions of the Required Lenders, and any action taken or failure to act pursuant to such instructions shall be binding on all Banks. The Collateral Agent shall not be obligated to take any action which is contrary to law or which would in its reasonable opinion subject it to liability. All indemnity provisions herein that pertain to the Administrative Agent shall apply equally to the Collateral Agent. Each Bank and the Administrative Agent hereby agree that the Obligations are to be secured pari

passu with all Obligations under the ATS Facility B Loan Agreement and that all

Collateral now or hereafter delivered as security for the Obligations shall be held by the Collateral Agent (or delivered to the Collateral Agent, if received by any Bank) in accordance with the Security Documents.

Section 9.15 Successor Collateral Agent. Subject to the appointment and

acceptance of a successor Collateral Agent as provided below, the Collateral Agent may resign at any time by giving written notice thereof to the Banks and the Borrowers and may be removed at any time for cause by the Required Lenders. Upon any such resignation or removal, the Required Lenders shall have the right to appoint a successor Collateral Agent. If no successor Collateral Agent shall have been so appointed by the Required Lenders, and shall have accepted such appointment within thirty (30) days after the retiring Collateral Agent's giving of notice of resignation or the Required Lenders' removal of the retiring Collateral Agent, then the retiring Collateral Agent may, on behalf of the Banks, appoint a successor Collateral Agent which shall be any Bank or a commercial bank organized under the laws of the United States of America or any political subdivision thereof which has combined capital and reserves in excess of \$250,000,000. Upon the acceptance of any appointment as Collateral Agent hereunder by a successor Collateral Agent, such successor Collateral Agent shall thereupon succeed to and become vested with all the rights, powers, privileges, duties, and obligations of the retiring Collateral Agent, and the retiring Collateral Agent shall be discharged from its duties and obligations hereunder. After any retiring Collateral Agent's resignation or removal hereunder as Collateral Agent, the provisions of this Section 9.15 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 Collateral Agent.

Section 9.16 Collateral Actions. Each of the parties hereto acknowledges

and agrees that all provisions herein and under any Security Document relating to rights and remedies under any Security Document shall be exercised only upon the direction of the Required Lenders (except as expressly set forth in Section 9.14 hereof), and that the provisions of this Section 9.16 may not be amended except with the consent of the Required Lenders; provided, however, that the

Majority Banks (or, as provided in Section 11.12 hereof, all Banks) shall determine whether any collateral for the Obligations hereunder may be released.

ARTICLE 10 Changes in Circumstances
Affecting LIBOR Advances and Increased Costs

Section 10.1 LIBOR Basis Determination Inadequate or Unfair. If with

respect to any proposed LIBOR Advance for any Interest Period, the Administrative Agent determines after consultation with the Banks that deposits in dollars (in the applicable amount) are not being offered to each of the Banks in the relevant market for such Interest Period, the Administrative Agent shall forthwith give notice thereof to the Borrowers and the Banks, whereupon until the Administrative Agent notifies the Borrowers that the circumstances giving rise to such situation no longer exist, the obligations of any affected Bank to make its portion of such LIBOR Advances shall be suspended.

Section 10.2 Illegality. If after the date hereof, the adoption of any

Applicable Law, or any change in any Applicable Law (whether adopted before or after the Agreement Date), or any change in interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any Bank with any directive (whether or not having the force of law) of any such authority, central bank or comparable agency, shall make it unlawful or impossible for any Bank to make, maintain or fund its portion of LIBOR Advances, such Bank shall so notify the Administrative Agent, and the Administrative Agent shall forthwith give notice thereof to the other Banks and the Borrowers. Before giving any notice to the Administrative Agent pursuant to this Section 10.2, such Bank shall designate a different lending office if such designation will avoid the need for giving such notice and will not, in the sole reasonable judgment of such Bank, be otherwise materially disadvantageous to such Bank. Upon receipt of such notice, notwithstanding anything contained in Article 2 hereof, the Borrowers shall repay in full the then outstanding principal amount of such Bank's portion of each affected LIBOR Advance, together with accrued interest thereon, on either (a) the last day of the then current Interest Period applicable to such affected LIBOR Advances if such Bank may lawfully continue to maintain and fund its portion of such LIBOR Advance to such day or (b) immediately if such Bank may not lawfully continue to fund and maintain its portion of such affected LIBOR Advances to such day. Concurrently with repaying such portion of each affected LIBOR Advance, the Borrowers may borrow a Base Rate Advance from such Bank, whether or not it would have been entitled to effect such borrowing, and such Bank shall make such Advance, if so requested, in an amount such that the outstanding principal amount of the affected Note held by such Bank shall equal the outstanding principal amount of such Note or Notes immediately prior to such repayment.

Section 10.3 Increased Costs.

(a) If after the date hereof, the adoption of any Applicable Law, or any change in any Applicable Law (whether adopted before or after the Agreement Date), or any interpretation or change in interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or

administration thereof or compliance by any Bank with any directive (whether or not having the force of law) of any such authority, central bank or comparable agency:

(1) shall subject any Bank to any tax, duty or other charge with respect to its obligation to make its portion of LIBOR Advances, or its portion of other Advances, or shall change the basis of taxation of payments to any Bank of the principal of or interest on its portion of LIBOR Advances or in respect of any other amounts due under this Agreement, or its obligation to make its portion of Advances (except for changes in the rate or method of calculation of tax on the revenues or net income of such Bank); or

(2) shall impose, modify or deem applicable any reserve (including, without limitation, any imposed by the Board of Governors of the Federal Reserve System, but excluding any included in an applicable Eurodollar Reserve Percentage), special deposit, capital adequacy, assessment or other requirement or condition against assets of, deposits with or for the account of, or commitments or credit extended by, any Bank or shall impose on any Bank or the London interbank borrowing market any other condition affecting its obligation to make its portion of such LIBOR Advances or its portion of existing Advances;

and the result of any of the foregoing is to increase the cost to such Bank of making or maintaining any of its portion of LIBOR Advances, or to reduce the amount of any sum received or receivable by such Bank under this Agreement or under its Note with respect thereto, then, within ten (10) days after demand by such Bank, the Borrowers agree to pay to such Bank such additional amount or amounts as will compensate such Bank for such increased costs. All payments made by the Borrowers under this Agreement shall, as set forth above, be made free and clear of, and without deduction or withholding for or on account of, any present or future income, stamp, or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any governmental authority excluding net income taxes and franchise taxes (imposed in lieu of net income taxes) imposed on any Bank as a result of present or former connection between such Person and the jurisdiction of the governmental authority imposing such tax or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from such Person having executed, delivered or performed its obligations or received a payment under, or enforced, this Agreement or any other Loan Document). If any such non-excluded taxes, levies, imposts, duties, charges, fees, deductions or withholdings ("Non-Excluded Taxes") are required to be withheld from any amounts payable to any Bank hereunder, the amounts so payable to such Person shall be increased to the extent necessary to yield to such Person (after payment of all Non-Excluded Taxes) interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Agreement; provided, however, that the Borrowers shall not be required to increase any such amounts payable to any Bank that is not organized under the laws of the United States of America or a state thereof if such Person fails to comply with the

requirements of Section 2.13 of this Agreement. Whenever any Non-Excluded Taxes are payable by the Borrowers, as promptly as possible thereafter the Borrowers shall send to the Administrative Agent for its own account or for the account of such Bank, as the case may be, a certified copy of an original official receipt received by the Borrowers showing payment thereof. If the Borrowers fail to pay any Non-Excluded Taxes when due to the appropriate taxing authority or fails to remit to the Administrative Agent the required receipts or other documentary evidence, the Borrowers shall indemnify the Administrative Agent and the Banks for any incremental taxes, interest or penalties that may become payable by the Administrative Agent or any Bank as result of any such failure. The Borrowers shall make any payments required pursuant to the immediately preceding sentence within thirty (30) days after receipt of written demand therefor from the Administrative Agent or any Bank, as the case may be. The agreements set forth in this 10.3 shall survive the termination of this Agreement and the payment of the Obligations. Each Bank will promptly notify the Borrowers and the Administrative Agent of any event of which it has knowledge, occurring after the date hereof, which will entitle such Bank to compensation pursuant to this Section 10.3 and will designate a different lending office if such designation will avoid the need for, or reduce the amount of, such compensation and will not, in the sole reasonable judgment of such Bank made in good faith, be otherwise disadvantageous to such Bank. Notwithstanding any provision herein to the contrary, the Borrowers shall have no obligation to pay to any Bank any amount which the Borrowers are liable to withhold due to the failure of such Bank to file any statement of exemption required under the Code.

(b) Any Bank claiming compensation under this Section 10.3 shall provide the Borrowers with a written certificate setting forth the additional amount or amounts to be paid to it hereunder and calculations therefor in reasonable detail. Such certificate shall be presumptively correct absent manifest error. In determining such amount, such Bank may use any reasonable averaging and attribution methods. If any Bank demands compensation under this Section 10.3, the Borrowers may at any time, upon at least five (5) Business Days' prior notice to such Bank, prepay in full such Bank's portion of the then outstanding LIBOR Advances, together with accrued interest and fees thereon to the date of prepayment, along with any reimbursement required under Section 2.10 hereof and this Section 10.3. Concurrently with prepaying such portion of LIBOR Advances the Borrowers may, whether or not then entitled to make such borrowing, borrow a Base Rate Advance, or a LIBOR Advance not so affected, from such Bank, and such Bank shall, if so requested, make such Advance in an amount such that the outstanding principal amount of the affected Note or Notes held by such Bank shall equal the outstanding principal amount of such Note or Notes immediately prior to such prepayment.

Section 10.4 Effect On Other Advances. If notice has been given pursuant

to Section 10.1, 10.2 or 10.3 hereof suspending the obligation of any Bank to make its portion of any type of LIBOR Advance, or requiring such Bank's portion of LIBOR Advances to be repaid or prepaid, then, unless and until such Bank notifies the Borrowers that the circumstances giving rise to such repayment no longer apply, all amounts which would

otherwise be made by such Bank as its portion of LIBOR Advances shall be instead as Base Rate Advances, unless otherwise notified by either of the Borrowers.

ARTICLE 11 Miscellaneous

Section 11.1 Notices.

(a) Except as otherwise expressly provided herein, all notices and other communications under this Agreement and the other Loan Documents (unless otherwise specifically stated therein) shall be in writing and shall be deemed to have been given three (3) Business Days after deposit in the mail, designated as certified mail, return receipt requested, postage-prepaid, or one (1) Business Day after being entrusted to a reputable commercial overnight delivery service for next day delivery, or when sent on a Business Day prior to 5:00 p.m. (New York, New York time) by telecopy addressed to the party to which such notice is directed at its address determined as provided in this Section 11.1. All notices and other communications under this Agreement shall be given to the parties hereto at the following addresses:

(i) If to the Borrowers, to them at:

American Tower Systems (Delaware), Inc.
American Tower Systems, L.P.
116 Huntington Avenue
Boston, Massachusetts 02111
Attn: Joseph B. Winn, Chief Financial Officer

with copies to:

Sullivan & Worcester LLP
One Post Office Square
Boston, Massachusetts 02110
Attn: Norman A. Bikales, Esq.

(ii) If to the Administrative Agent, to it at:

Toronto Dominion (Texas), Inc.
909 Fannin Street, Suite 1700
Houston, Texas 77010
Attention: Agency Department

with a copy to:

The Toronto-Dominion Bank
Toronto Dominion Securities, Inc.
USA Division
31 West 52nd Street
New York, NY 10019-6101
Attn: Managing Director, Communications Finance

and with a copy to:

Powell, Goldstein, Frazer & Murphy LLP
Sixteenth Floor
191 Peachtree Street, N.E.
Atlanta, Georgia 30303
Attn: Douglas S. Gosden, Esq.

(iii) If to the Banks, to them at the addresses set forth beside their names as set forth in Schedule 9 attached hereto.

The failure to provide copies shall not affect the validity of the notice given to the primary recipient.

(b) Any party hereto may change the address to which notices shall be directed under this Section 11.1 by giving ten (10) days' written notice of such change to the other parties.

Section 11.2 Expenses. The Borrowers will promptly pay, or reimburse:

(a) all reasonable out-of-pocket expenses of the Administrative Agent in connection with the preparation, negotiation, execution and delivery of this Agreement and the other Loan Documents, and the transactions contemplated hereunder and thereunder and the making of the initial Advance hereunder (whether or not such Advance is made), including, but not limited to, the reasonable fees and disbursements of Powell, Goldstein, Frazer & Murphy LLP, Atlanta, Georgia, special counsel for the Administrative Agent; and

(b) all reasonable out-of-pocket costs and expenses of the Administrative Agent and the Banks of enforcement under this Agreement or the other Loan Documents and all reasonable out-of-pocket costs and expenses of collection if an Event of Default occurs in the payment of the Notes, which in each case shall include, without limitation, reasonable fees and out-of-pocket expenses of counsel for the Administrative Agent and the Banks.

Section 11.3 Waivers. The rights and remedies of the Administrative Agent

and the Banks under this Agreement and the other Loan Documents shall be cumulative and not

exclusive of any rights or remedies which they would otherwise have. No failure or delay by the Administrative Agent, the Majority Banks, or the Banks, or any of them, in exercising any right, shall operate as a waiver of such right. The Administrative Agent and the Banks expressly reserve the right to require strict compliance with the terms of this Agreement in connection with any future funding of a Request for Advance. In the event the Banks decide to fund a Request for Advance at a time when the Borrowers are not in strict compliance with the terms of this Agreement, such decision by the Banks shall not be deemed to constitute an undertaking by the Banks to fund any further Request for Advance or preclude the Banks or the Administrative Agent from exercising any rights available under the Loan Documents or at law or equity. Any waiver or indulgence granted by the Administrative Agent, the Banks, or the Majority Banks, shall not constitute a modification of this Agreement or any other Loan Document, except to the extent expressly provided in such waiver or indulgence, or constitute a course of dealing at variance with the terms of this Agreement or any other Loan Document such as to require further notice of their intent to require strict adherence to the terms of this Agreement or any other Loan Document in the future.

Section 11.4 Set-Off. In addition to any rights now or hereafter granted

under Applicable Law and not by way of limitation of any such rights, upon the occurrence of an Event of Default and during the continuation thereof, the Administrative Agent and each of the Banks are hereby authorized by the Borrowers at any time or from time to time, without notice to the Borrowers or to any other Person, any such notice being, to the extent permitted by Applicable Law, hereby expressly waived, to set off and to appropriate and to apply any and all deposits (general or special, time or demand, including, but not limited to, Indebtedness evidenced by certificates of deposit, in each case whether matured or unmatured) and any other Indebtedness at any time held or owing by any Bank or Administrative Agent, to or for the credit or the account of the Borrowers or any Restricted Subsidiary, against and on account of the obligations and liabilities of the Borrowers to the Banks and the Administrative Agent, including, without limitation, all Obligations and any other claims of any nature or description arising out of or connected with this Agreement, the Notes or any other Loan Document, irrespective of whether (a) any Bank or Administrative Agent shall have made any demand hereunder or (b) any Bank or Administrative Agent shall have declared the principal of and interest on the Loans and other amounts due hereunder to be due and payable as permitted by Section 8.2 hereof and although such obligations and liabilities or any of them shall be contingent or unmatured. Upon direction by the Administrative Agent with the consent of all of the Banks, each Bank holding deposits of either Borrower or any Restricted Subsidiary shall exercise its set-off rights as so directed; and, within one (1) Business Day following any such setoff, the Administrative Agent shall give notice thereof to the Borrowers. Notwithstanding anything to the contrary contained in this Section 11.4, no Bank shall exercise any right of offset without the prior consent of the Majority Banks so long as the Obligations shall be secured by any real property or real property interest including leaseholds located in the State of California, it being understood and agreed that the provisions of this sentence are for the exclusive benefit of the Banks, may be amended, modified or waived by the Majority Banks without notice to or consent of the

Borrowers or any Subsidiary and shall not constitute a waiver of any rights against the Borrowers or any Subsidiary or against any Collateral.

Section 11.5 Assignment and Participation.

(a) Neither Borrower may assign or transfer any of its rights or obligations hereunder, under the Notes or under any other Loan Document without the prior written consent of each Bank.

(b) Each Bank may sell (i) assignments of any amount of its interest hereunder to any Bank, or (ii) assignments or participations of up to one hundred percent (100%) of its interest hereunder to (A) one (1) or more wholly-owned Affiliates of such Bank or Approved Funds (provided, however, that if such

Affiliate is not a financial institution, such Bank shall be obligated to repurchase such assignment if such Affiliate is unable to honor its obligations hereunder), or (B) 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 (provided, however, that

no such assignment shall relieve such Bank from its obligations hereunder).

(c) Each of the Banks may at any time enter into assignment agreements or participations with one or more other Banks, Approved Funds or other Persons pursuant to which each Bank may assign or participate its interest under this Agreement and the other Loan Documents, including its interest in any particular Advance or portion thereof; provided, however, that (1) all assignments (other

than assignments described in Section 11.5(b) hereof) shall be in minimum principal amounts of the lesser of (X) \$5,000,000, and (Y) the amount of such Bank's Commitment (in a single assignment only), and (2) all assignments (other than assignments described in Section 11.5(b) hereof) and participations hereunder shall be subject to the following additional terms and conditions:

(i) No assignment (except assignments permitted in Section 11.5(b) hereof) shall be sold without the prior consent of the Administrative Agent and prior to the occurrence and continuation of an Event of Default, the consent of the Borrowers, which consents shall not be unreasonably withheld;

(ii) Any Person purchasing a participation or an assignment of any portion of the Loans from any Bank shall be required to represent and warrant that its purchase shall not constitute a "prohibited transaction" (as defined in Section 4.1(m) hereof);

(iii) The Borrowers, the Banks, and the Administrative Agent agree that assignments permitted hereunder (including the assignment of any Advance or portion thereof) may be made with all voting rights, and shall be made pursuant to an Assignment and Assumption Agreement substantially in the form of Exhibit T attached hereto. An administrative fee of \$3,500

shall be payable to the

Administrative Agent either by the assigning Bank or the assignee thereof at the time of any assignment under this Section 11.5(c);

(iv) No participation agreement shall confer any rights under this Agreement or any other Loan Document to any purchaser thereof, or relieve any issuing Bank from any of its obligations under this Agreement, and all actions hereunder shall be conducted as if no such participation had been granted; provided, however, that any participation agreement may

confer on the participant the right to approve or disapprove decreases in the interest rate, increases in the principal amount of the Loans participated in by such participant, decreases in fees, extensions of the Maturity Date or other principal payment date for the Loans or of the scheduled reduction of the Commitment and releases of Collateral;

(v) Each Bank agrees to provide the Administrative Agent and the Borrowers with prompt written notice of any issuance of assignments of its interests hereunder;

(vi) No assignment, participation or other transfer of any rights hereunder or under the Notes shall be effected that would result in any interest requiring registration under the Securities Act of 1933, as amended, or qualification under any state securities law;

(vii) No such assignment may be made to any bank or other financial institution (x) with respect to which a receiver or conservator (including, without limitation, the Federal Deposit Insurance Corporation, the Resolution Trust Company or the Office of Thrift Supervision) has been appointed or (y) that is not "adequately capitalized" (as such term is defined in Section 131(b)(1)(B) of the Federal Deposit Insurance Corporation Improvement Act as in effect on the Agreement Date); and

(viii) If applicable, each Bank shall, and shall cause each of its assignees to, provide to the Administrative Agent on or prior to the effective date of any assignment an appropriate Internal Revenue Service form as required by Applicable Law supporting such Bank's or assignee's position that no withholding by either Borrower or the Administrative Agent for U.S. income tax payable by such Bank or assignee in respect of amounts received by it hereunder is required. For purposes of this Agreement, an appropriate Internal Revenue Service form shall mean Form 1001 (Ownership Exemption or Reduced Rate Certificate of the U.S. Department of Treasury), or Form 4224 (Exemption from Withholding of Tax on Income Effectively Connected with the Conduct of a Trade or Business in the United States), or any successor or related forms adopted by the relevant U.S. taxing authorities.

(d) Except as specifically set forth in Section 11.5(b) or (c) hereof, nothing in this Agreement or the Notes, expressed or implied, is intended to or shall confer on any Person other than the respective parties hereto and thereto and their successors and assignees permitted hereunder and thereunder any benefit or any legal or equitable right, remedy or other claim under this Agreement or the Notes.

(e) In the case of any participation, all amounts payable by the Borrowers under the Loan Documents shall be calculated and made in the manner and to the parties hereto as if no such participation had been sold.

(f) The provisions of this Section 11.5 shall not apply to any purchase of participations among the Banks pursuant to Section 2.11 hereof.

(g) The Administrative Agent, acting, for this purpose only, as agent of the Borrowers shall maintain, at no extra charge to the Borrowers, a register (the "Register") at the address to which notices to the Administrative Agent are

to be sent under Section 11.1 hereof on which Register the Administrative Agent shall enter the name, address and taxpayer identification number (if provided) of the registered owner of the Loans evidenced by a Registered Note or, upon the request of the registered owner, for which a Registered Note has been requested. A Registered Note and the Loans evidenced thereby may be assigned or otherwise transferred in whole or in part only by registration of such assignment or transfer of such Registered Note and the Loans evidenced thereby on the Register. Any assignment or transfer of all or part of such Loans and the Registered Note evidencing the same shall be registered on the Register only upon compliance with the other provisions of this Section 11.5 and surrender for registration of assignment or transfer of the Registered Note evidencing such Loans, duly endorsed by (or accompanied by a written instrument of assignment or transfer duly executed by) the Registered Noteholder thereof, and thereupon one or more new Registered Notes in the same aggregate principal amount shall be issued to the designated assignee(s) or transferee(s) and, if less than the aggregate principal amount of such Registered Notes is thereby transferred, the assignor or transferor. Prior to the due presentment for registration of transfer of any Registered Note, the Borrowers and the Administrative Agent shall treat the Person in whose name such Loans and the Registered Note evidencing the same is registered as the owner thereof for the purpose of receiving all payments thereon and for all other purposes, notwithstanding any notice to the contrary.

(h) The Register shall be available for inspection by the Borrowers and any Bank at any reasonable time during the Administrative Agent's regular business hours upon reasonable prior notice.

(i) Notwithstanding any other provision in this Agreement, any Bank that is a fund that invests in bank loans may, without the consent of the Administrative Agent or the Borrowers, pledge all or any portion of its rights under, and interest in, this Agreement and the Notes to any trustee or to any other representative of holders of obligations owed or securities issued, by such fund as security for such obligations or securities; provided,

however, that any transfer to any Person upon the enforcement of such pledge or
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security interest may only be made subject to the assignment provisions of this
Section 11.5.

Section 11.6 Accounting Principles. All references in this Agreement to

GAAP shall be to such principles as in effect from time to time. All accounting terms used herein without definition shall be used as defined under GAAP. All references to the financial statements of the Borrowers and to their Annualized Operating Cash Flow, Operating Cash Flow, Senior Debt, Total Debt, Fixed Charges, Pro Forma Debt Service, Interest Expense, and other such terms shall be deemed to refer to such items of the Borrowers and the Restricted Subsidiaries, on a fully consolidated basis. The Borrowers shall deliver to the Banks at the same time as the delivery of any quarterly or annual financial statements required pursuant to Section 6.1 or 6.2 hereof, as applicable, (a) a description in reasonable detail of any material variation between the application of GAAP employed in the preparation of such statements and the application of GAAP employed in the preparation of the next preceding quarterly or annual financial statements, as applicable, and (b) reasonable estimates of the differences between such statements arising as a consequence thereof. If, within thirty (30) days after the delivery of the quarterly or annual financial statements referred to in the immediately preceding sentence, the Majority Banks shall object in writing to the Borrowers' determining compliance hereunder on such basis, (1) calculations for the purposes of determining compliance hereunder shall be made on a basis consistent with those used in the preparation of the latest financial statements as to which such objection shall not have been made, or (2) if requested by the Borrowers, the Majority Banks will negotiate in good faith to amend the covenants herein to give effect to the changes in GAAP in a manner consistent with this Agreement (and so long as the Borrowers comply in good faith with the provisions of this Section 11.6, no Default or Event of Default shall occur hereunder solely as a result of such changes in GAAP).

Section 11.7 Counterparts. This Agreement may be executed in any number

of counterparts, each of which shall be deemed to be an original, but all such separate counterparts shall together constitute but one and the same instrument.

Section 11.8 Governing Law. This Agreement and the Notes shall be

construed in accordance with and governed by the internal laws of the State of New York applicable to agreements made and to be performed the State of New York. If any action or proceeding shall be brought by the Administrative Agent or any Bank hereunder or under any other Loan Document in order to enforce any right or remedy under this Agreement or under any Note or any other Loan Document, each of the Borrowers hereby consents and will, and each of the Borrowers will cause each Restricted Subsidiary to, submit to the jurisdiction of any state or federal court of competent jurisdiction sitting within the area comprising the Southern District of New York on the date of this Agreement. Each of the Borrowers, for itself and on behalf of its Restricted Subsidiaries, hereby agrees that, to the extent permitted by Applicable Law, service of the summons and complaint and all other process which may be served in any such suit, action or proceeding may be effected by mailing by registered mail a copy of

such process to the offices of the Borrowers at the address given in Section 11.1 hereof and that personal service of process shall not be required. Nothing herein shall be construed to prohibit service of process by any other method permitted by law, or the bringing of any suit, action or proceeding in any other jurisdiction. The Borrowers agree that final judgment in such suit, action or proceeding shall be conclusive and may be enforced in any other jurisdiction by suit on the judgment or in any other manner provided by Applicable Law.

Section 11.9 Severability. Any provision of this Agreement which is

prohibited or unenforceable in any jurisdiction shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof in that jurisdiction or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 11.10 Interest.

(a) In no event shall the amount of interest due or payable hereunder or under the Notes exceed the maximum rate of interest allowed by Applicable Law, and in the event any such payment is inadvertently made by the Borrowers or inadvertently received by the Administrative Agent or any Bank, then such excess sum shall be credited as a payment of principal, unless the Borrowers shall notify the Administrative Agent or such Bank, in writing, that it elects to have such excess sum returned forthwith. It is the express intent hereof that the Borrowers not pay and the Administrative Agent and the Banks not receive, directly or indirectly in any manner whatsoever, interest in excess of that which may legally be paid by the Borrowers under Applicable Law.

(b) Notwithstanding the use by the Banks of the Base Rate and the LIBOR as reference rates for the determination of interest on the Loans, the Banks shall be under no obligation to obtain funds from any particular source in order to charge interest to the Borrowers at interest rates related to such reference rates.

Section 11.11 Table of Contents and Headings. The Table of Contents and

the headings of the various subdivisions used in this Agreement are for convenience only and shall not in any way modify or amend any of the terms or provisions hereof, nor be used in connection with the interpretation of any provision hereof.

Section 11.12 Amendment and Waiver. Neither this Agreement nor any Loan

Document nor any term hereof or thereof may be amended orally, nor may any provision hereof or thereof be waived orally but only by an instrument in writing signed by or at the direction of the Majority Banks and, in the case of an amendment, by the Borrowers, except that in the event of (a) any increase in the amount of any Bank's portion of the Commitments or any reduction or postponement of the reductions to the Revolving Loan Commitment set forth in Section 2.5(a) hereof, (b) any delay or extension in the terms of repayment of the Loans provided in Section 2.5 or 2.7 hereof, (c) any reduction in principal, interest or fees due hereunder or postponement of the payment thereof without a corresponding payment of

such principal, interest or fee amount by the Borrowers, (d) any release of any portion of the Collateral for the Loans, except under Section 7.4 hereof, (e) any waiver of any Default due to the failure by the Borrowers to pay any sum due to any of the Banks hereunder, (f) any release of any Guaranty of all or any portion of the Obligations, except in connection with a merger, sale or other disposition otherwise permitted hereunder (in which case, such release shall require no further approval by the Banks), (g) any amendment to the pro rata treatment of the Banks set forth in Section 2.11 hereof, or (h) any amendment of this Section 11.12, of the definition of Majority Banks, or of any Section herein to the extent that such Section requires action by all Banks, any amendment or waiver or consent may be made only by an instrument in writing signed by each of the Banks and, in the case of an amendment, by the Borrowers. Any amendment to any provision hereunder governing the rights, obligations, or liabilities of the Administrative Agent in its capacity as such, may be made only by an instrument in writing signed by such affected Person and by each of the Banks.

Section 11.13 Entire Agreement. Except as otherwise expressly provided

herein, this Agreement, the Other Loan Documents and the other documents described or contemplated herein or therein will embody the entire agreement and understanding among the parties hereto and thereto and supersede all prior agreements and understandings relating to the subject matter hereof and thereof.

Section 11.14 Other Relationships. No relationship created hereunder or

under any other Loan Document shall in any way affect the ability of the Administrative Agent and each Bank to enter into or maintain business relationships with either Borrower or any Affiliate beyond the relationships specifically contemplated by this Agreement and the other Loan Documents.

Section 11.15 Directly or Indirectly. If any provision in this Agreement

refers to any action taken or to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person, whether or not expressly specified in such provision.

Section 11.16 Reliance on and Survival of Various Provisions. All

covenants, agreements, statements, representations and warranties made herein or in any certificate delivered pursuant hereto shall (a) be deemed to have been relied upon by the Administrative Agent and each of the Banks notwithstanding any investigation heretofore or hereafter made by them and (b) survive the execution and delivery of the Notes and shall continue in full force and effect so long as any Note is outstanding and unpaid. Any right to indemnification hereunder, including, without limitation, rights pursuant to Sections 2.10, 2.12, 5.12, 10.3 and 11.2 hereof, shall survive the termination of this Agreement and the payment and performance of all Obligations.

Section 11.17 Senior Debt. The Obligations are secured by the Security

Documents and are intended by the parties hereto to be in parity with the Interest Hedge Agreements and senior in right of payment to all other Indebtedness of the Borrowers.

Section 11.18 Obligations. The obligations of the Administrative Agent

and each of the Banks hereunder are several, not joint.

Section 11.19 Confidentiality. The Banks shall hold all non-public,

proprietary or confidential information (which has been identified as such by the Borrowers) obtained pursuant to the requirements of this Agreement in accordance with their customary procedures for handling confidential information of this nature and in accordance with safe and sound banking practices; provided, however, that the Banks may make disclosure of any such information to

their examiners, Affiliates, any Approved Fund, outside auditors, counsel, consultants, appraisers and other professional advisors in connection with this Agreement or as reasonably required by any proposed syndicate member or any proposed transferee or participant in connection with the contemplated transfer of any Note or participation therein or as required or requested by any governmental authority or representative thereof or in connection with the enforcement hereof or of any Loan Document or related document or pursuant to legal process or with respect to any litigation between or among either Borrower and any of the Banks, so long as the person (other than any examiners) receiving such information is advised of the provisions of this Section 11.19 and agrees to be bound thereby. In no event shall any Bank be obligated or required to return any materials furnished to it by the Borrowers. The foregoing provisions shall not apply to a Bank with respect to information that (i) is or becomes generally available to the public (other than through such Bank), (ii) is already in the possession of such Bank on a nonconfidential basis, or (iii) comes into the possession of such Bank in a manner not known to such Bank to involve a breach of a duty of confidentiality owing to the Borrowers.

ARTICLE 12 Waiver of Jury Trial

Section 12.1 Waiver of Jury Trial. EACH OF THE BORROWERS, FOR ITSELF AND

ON BEHALF OF THE RESTRICTED SUBSIDIARIES, AND THE ADMINISTRATIVE AGENT AND THE BANKS, HEREBY AGREE, TO THE EXTENT PERMITTED BY LAW, TO WAIVE AND HEREBY WAIVE THE RIGHT TO A TRIAL BY JURY IN ANY COURT AND IN ANY ACTION OR PROCEEDING OF ANY TYPE IN WHICH THE BORROWERS, ANY RESTRICTED SUBSIDIARIES, ANY OF THE BANKS, THE ADMINISTRATIVE AGENT OR ANY OF THEIR RESPECTIVE SUCCESSORS OR ASSIGNS IS A PARTY, AS TO ALL MATTERS AND THINGS ARISING DIRECTLY OR INDIRECTLY OUT OF THIS AGREEMENT, ANY OF THE NOTES OR THE OTHER LOAN DOCUMENTS AND THE RELATIONS AMONG THE PARTIES LISTED IN THIS SECTION 12.1. EXCEPT AS PROHIBITED BY LAW, EACH PARTY TO THIS AGREEMENT WAIVES ANY RIGHTS IT MAY HAVE TO CLAIM

OR RECOVER IN ANY LITIGATION REFERRED TO IN THIS SECTION, ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES OR ANY DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES. EACH PARTY TO THIS AGREEMENT (A) CERTIFIES THAT NEITHER ANY REPRESENTATIVE, AGENT OR ATTORNEY OF THE ADMINISTRATIVE AGENT OR ANY BANK HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE ADMINISTRATIVE AGENT OR ANY BANK WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVERS AND (B) ACKNOWLEDGES THAT IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND EACH OTHER LOAN DOCUMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION. THE PROVISIONS OF THIS SECTION HAVE BEEN FULLY DISCLOSED BY AND TO THE PARTIES AND THE PROVISIONS SHALL BE SUBJECT TO NO EXCEPTIONS. NO PARTY HAS IN ANY WAY AGREED WITH OR REPRESENTED TO ANY OTHER PARTY THAT THE PROVISIONS OF THIS SECTION WILL NOT BE FULLY ENFORCED IN ALL INSTANCES.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement or caused it to be executed by their duly authorized officers, all as of the day and year first above written.

BORROWERS: AMERICAN TOWER SYSTEMS, L.P.

By ATSC GP, INC., its General Partner

By:_____

Title:_____

AMERICAN TOWER SYSTEMS (DELAWARE), INC.

By:_____

Title:_____

ADMINISTRATIVE AGENT
AND BANKS:

TORONTO DOMINION (TEXAS), INC., as
Administrative Agent for itself and the Banks
and as a Bank

By:_____

Title:_____

BANK OF AMERICA NATIONAL TRUST AND
SAVINGS ASSOCIATION, as a Bank

By: _____
Title: _____

BANK OF MONTREAL, as a Bank

By: _____
Title: _____

THE BANK OF NEW YORK, as a Bank

By: _____
Title: _____

THE BANK OF NOVA SCOTIA, as a Bank

By: _____
Title: _____

BANKBOSTON, N.A., as a Bank

By: _____
Title: _____

BANKERS TRUST COMPANY, as a Bank

By:_____

Title:_____

BARCLAYS BANK, PLC, as a Bank

By:_____

Title:_____

THE CHASE MANHATTAN BANK, as a Bank

By:_____

Title:_____

COBANK, ACB, as a Bank

By:_____

Title:_____

CREDIT LYONNAIS NEW YORK BRANCH, as a
Bank

By:_____

Title:_____

CREDIT SUISSE FIRST BOSTON, as a Bank

By:_____

Title:_____

By:_____

Title:_____

CRESTAR BANK, as a Bank

By:_____

Title:_____

DRESDNER BANK AG, NEW YORK AND GRAND
CAYMAN BRANCHES, as a Bank

By:_____

Title:_____

By:_____

Title:_____

FIRST NATIONAL BANK OF MARYLAND, as a
Bank

By:_____

Title:_____

FLEET NATIONAL BANK, as a Bank

By:_____

Title:_____

GENERAL ELECTRIC CAPITAL CORPORATION, as
a Bank

By:_____

Title:_____

KEY CORPORATE CAPITAL INC., as a Bank

By:_____

Title:_____

LEHMAN COMMERCIAL PAPER INC., as a Bank

By:_____

Title:_____

THE LONG-TERM CREDIT BANK OF JAPAN, LTD.,
NEW YORK BRANCH, as a Bank

By:_____

Title:_____

MELLON BANK, N.A., as a Bank

By:_____

Title:_____

MERCANTILE BANK NATIONAL ASSOCIATION,
as a Bank

By: _____
Title: _____

MORGAN STANLEY SENIOR FUNDING, INC., as
a Bank

By: _____
Title: _____

NATIONAL BANK OF CANADA, as a Bank

By: _____
Title: _____

By: _____
Title: _____

PNC BANK, NATIONAL ASSOCIATION, as a Bank

By: _____
Title: _____

SOCIETE GENERALE, NEW YORK BRANCH, as a
Bank

By:_____

Title:_____

STATE STREET BANK AND TRUST COMPANY, as
a Bank

By:_____

Title:_____

UNION BANK OF CALIFORNIA, N.A., as a Bank

By:_____

Title:_____

US TRUST, as a Bank

By:_____

Title:_____

ATS FACILITY B
LOAN AGREEMENT

AMONG

AMERICAN TOWER SYSTEMS, L.P.
AND
AMERICAN TOWER SYSTEMS (DELAWARE), INC.,

AS BORROWERS;

THE FINANCIAL INSTITUTIONS WHOSE NAMES APPEAR
AS BANKS ON THE SIGNATURE PAGES HEREOF;

AND

TORONTO DOMINION (TEXAS), INC.,
AS ADMINISTRATIVE AGENT
FOR THE BANKS

DATED AS OF JUNE 16, 1998

POWELL, GOLDSTEIN, FRAZER & MURPHY LLP
ATLANTA, GEORGIA

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EXHIBITS

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Exhibit B	Form of Assignment of Limited Partner Interests
Exhibit C	Form of Borrowers' Guaranty
Exhibit D	Form of Certificate of Financial Condition
Exhibit E	Form of Facility B Note
Exhibit F	Form of Parent Guaranty
Exhibit G	Form of Parent Pledge Agreement
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Exhibit I	Form of Security Agreement
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Exhibit K	Form of Subsidiary Guaranty
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Exhibit N	Form of Term Conversion Notice
Exhibit O	Form of ATS's Loan Certificate
Exhibit P	Form of ATS (Delaware)'s Loan Certificate
Exhibit Q	Form of Parent Loan Certificate
Exhibit R	Form of Subsidiary Loan Certificate
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Exhibit T	Form of Assignment and Assumption Agreement

SCHEDULES

Schedule 1	- Licenses
Schedule 2	- Restricted Subsidiaries on the Agreement Date
Schedule 3	- Separation Obligations
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ATS FACILITY B
LOAN AGREEMENT
AMONG
AMERICAN TOWER SYSTEMS, L.P.
AND
AMERICAN TOWER SYSTEMS (DELAWARE), INC.,
AS BORROWERS;
THE FINANCIAL INSTITUTIONS WHOSE NAMES APPEAR
AS BANKS ON THE SIGNATURE PAGES HEREOF;
AND
TORONTO-DOMINION (TEXAS), INC.,
AS ADMINISTRATIVE AGENT
FOR THE BANKS

WHEREAS, ATS (as defined below) and ATS (Delaware) (as defined below) have requested and the Banks have agreed, subject to the terms and conditions set forth herein, to make available to ATS and ATS (Delaware) a 364-day revolving credit facility in the amount of \$250,000,000 which, at the option of the Borrowers, may be extended to a term credit facility;

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

ARTICLE 1 Definitions

For the purposes of this Agreement:

"Acquisition" shall mean (whether by purchase, lease, exchange,

issuance of stock or other equity or debt securities, merger, reorganization or any other method) (i) any acquisition by either Borrower or any of the Restricted Subsidiaries of any other Person, which Person shall then become consolidated with either Borrower or any of the Restricted Subsidiaries in accordance with GAAP; (ii) any acquisition by either Borrower or any of the Restricted Subsidiaries of all or any substantial part of the assets of any other Person; or (iii) any acquisition by either Borrower or any of the Restricted Subsidiaries of any business (or related contracts) primarily involving the management of communications sites, towers or other facilities for third parties, other than any such Acquisition which shall be made by, or of, any Person which shall have been designated and, to the extent required hereby, approved as an Unrestricted Subsidiary.

"Acquisition Operating Cash Flow" shall mean in the case of an

Acquisition permitted hereunder, Operating Cash Flow (New Towers), Operating Cash Flow (Towers) and

Operating Cash Flow (Other Business), as applicable, of the Borrowers and their Restricted Subsidiaries for the period during which such Acquisition occurs, adjusted to give effect to such Acquisition, as if such Acquisition had occurred on the first day of such period, by excluding the Operating Cash Flow (New Towers), Operating Cash Flow (Towers) and Operating Cash Flow (Other Business), as applicable, of such Acquisition during such period prior to and including the date of such Acquisition and adding to the Operating Cash Flow (New Towers), Operating Cash Flow (Towers) and Operating Cash Flow (Other Business), as applicable, of the Borrowers and their Restricted Subsidiaries, if positive, or subtracting from such Operating Cash Flow (New Towers), Operating Cash Flow (Towers) and Operating Cash Flow (Other Business), as applicable, if negative, the product of (i) the actual Operating Cash Flow (New Towers), Operating Cash Flow (Towers) and Operating Cash Flow (Other Business), as applicable, of such Acquisition for that portion of such period from the date of such Acquisition to the last day of such period, multiplied by (ii) a fraction the numerator of which is the number of calendar days in such period and the denominator of which is the number of days in such period from and including the date following such Acquisition through the last day of such period.

"Administrative Agent" shall mean Toronto Dominion (Texas), Inc., in

its capacity as Administrative Agent for the Banks or any successor
Administrative Agent appointed pursuant to Section 9.12 hereof.

"Administrative Agent's Office" shall mean the office of the

Administrative Agent located at 909 Fannin Street, Suite 1700, Houston Texas
77010, or such other office as may be designated pursuant to the provisions of
Section 11.1 hereof.

"Advance" shall mean amounts advanced by the Banks to either Borrower

pursuant to Article 2 hereof on the occasion of any borrowing and having the
same Interest Rate Basis and Interest Period; and "Advances" shall mean more

than one Advance.

"Affiliate" shall mean, with respect to a Person, any other Person

directly or indirectly controlling, controlled by, or under common control with,
such first Person. For purposes of this definition, "control", when used with
respect to any Person, includes, without limitation, the direct or indirect
beneficial ownership of more than ten percent (10%) of the voting securities or
voting equity of such Person or the power to direct or cause the direction of
the management and policies of such Person whether by contract or otherwise.

"Agreement" shall mean this ATS Facility B Loan Agreement, as amended,

supplemented, restated or otherwise modified from time to time.

"Agreement Date" shall mean the date as of which this Agreement is

dated.

"American Radio Systems" shall mean American Radio Systems

Corporation, a Delaware corporation.

"Annualized Operating Cash Flow" shall mean (a) as of any calculation

date, the sum of (A) the product of (1) Operating Cash Flow (Towers) for the
fiscal quarter-end being tested, or the most recently completed fiscal quarter
immediately preceding such calculation date, as the case may be, times (2) four

(4); (B) the product of (1) Operating Cash Flow (New Towers) for the calendar
month-end being tested, or the most recently completed calendar month
immediately preceding such calculation date, as the case may be, times (2)

twelve (12); and (C) Operating Cash Flow (Other Business) for the four fiscal
quarter period end being tested or the most recently completed four (4) fiscal
quarters immediately preceding such calculation date, as the case may be, minus

(b) corporate overhead (exclusive of amortization and depreciation) of the
Borrowers and their Restricted Subsidiaries (on a consolidated basis) for the
twelve (12) calendar month period then ended or ending immediately prior to the
calendar date, as the case may be.

"Applicable Law" shall mean, in respect of any Person, all provisions

of constitutions, statutes, rules, regulations and orders of governmental bodies
or regulatory agencies applicable to such Person, including, without limiting
the foregoing, the Licenses, the Communications Act, zoning ordinances and all
Environmental Laws, and all orders, decisions, judgments and decrees of all
courts and arbitrators in proceedings or actions to which the Person in question
is a party or by which it is bound.

"Applicable Margin" shall mean the interest rate margin applicable to

Base Rate Advances and LIBOR Advances, as the case may be, in each case
determined in accordance with Section 2.3(f) hereof.

"Applicable Margin Ratio" shall mean, as of any date, the ratio of (a)

the Senior Debt on such date to (b) Annualized Operating Cash Flow.

"Approved Fund" means, with respect to any Bank that is a fund that

invests in commercial loans, any other fund that invests in commercial loans and
is managed by the same investment advisor as such Bank or by an Affiliate of
such investment advisor.

"Assignment of General Partner Interests" shall mean that certain

Assignment of General Partner Interests, dated as of the even date herewith,
made by ATSC GP in favor of the Collateral Agent, substantially in the form of
Exhibit A attached hereto.

"Assignment of Limited Partner Interests" shall mean that certain

Assignment of Limited Partner Interests, dated as of the even date herewith,
made by ATSC LP in favor of the Collateral Agent, substantially in the form of
Exhibit B attached hereto.

"ATS" shall mean American Tower Systems, L.P., a Delaware limited

partnership, and one of the Borrowers.

"ATS (Delaware)" shall mean American Tower Systems (Delaware), Inc., a

Delaware corporation, and one of the Borrowers.

"ATS Facility A Loan Agreement" shall mean that certain ATS Facility A

Loan Agreement, dated as of even date herewith among the Borrowers, the
Administrative Agent (as defined therein) and the financial institutions parties
thereto, providing for a term credit facility in the amount of \$250,000,000 and
a revolving credit facility in the amount of \$400,000,000, as the same may be
amended, modified, restated, or supplemented from time to time.

"ATSC GP" shall mean ATSC GP Inc., a Delaware corporation, and a

wholly-owned subsidiary of ATSC Holding.

"ATSC Holding" shall mean ATSC Holding Inc., a Delaware corporation,

and a wholly-owned Subsidiary of the Parent.

"ATSC LP" shall mean ATSC LP Inc., a Delaware corporation, and a

wholly-owned Subsidiary of ATSC Operating.

"ATSC Operating" shall mean ATSC Operating Inc., a Delaware

corporation, and a wholly-owned Subsidiary of ATS (Delaware).

"Authorized Signatory" shall mean such senior personnel of a Person as

may be duly authorized and designated in writing by such Person to execute
documents, agreements and instruments on behalf of such Person.

"Banks" shall mean the Persons whose names appear as "Banks" on the

signature pages hereof and any other Person which becomes a "Bank" hereunder
after the Agreement Date; and "Bank" shall mean any one of the foregoing Banks.

"Base Rate" shall mean, at any time, a fluctuating interest rate per

annum equal to the higher of (a) the rate of interest quoted from time to time
by the Administrative Agent as its "prime rate" or "base rate" or (b) the sum of

(i) Federal Funds Rate and (ii) one-half of one percent (1/2%). The Base Rate
is not necessarily the lowest rate of interest charged by the Administrative
Agent in connection with extensions of credit.

"Base Rate Advance" shall mean an Advance which either Borrower

requests to be made as a Base Rate Advance or is reborrowed as a Base Rate
Advance, in accordance with the provisions of Section 2.2 hereof, and which
shall be in a principal amount of at least \$1,000,000 and in an integral
multiple of \$500,000.

"Base Rate Basis" shall mean a simple interest rate equal to the sum

of (i) the Base Rate and (ii) the Applicable Margin applicable to Base Rate
Advances. The Base Rate Basis

shall be adjusted automatically as of the opening of business on the effective date of each change in the Base Rate to account for such change, and shall also be adjusted to reflect changes of the Applicable Margin applicable to Base Rate Advances.

"Borrowers" shall mean, collectively, ATS and ATS (Delaware); and

"Borrower" shall mean either of the foregoing.

"Borrowers' Guarantees" shall mean, collectively, that certain

Borrowers' Guaranty (ATS (Delaware)) and Borrowers' Guaranty (ATS), dated as of the Agreement Date each substantially in the form of Exhibit C attached hereto.

"Business Day" shall mean a day on which banks and foreign exchange

markets are open for the transaction of business required for this Agreement in Houston, Texas, New York, New York and London, England, as relevant to the determination to be made or the action to be taken.

"Capital Expenditures" shall mean, for any period, expenditures

(including, without limitation, the aggregate amount of Capitalized Lease Obligations required to be paid during such period) incurred by any Person to acquire or construct fixed assets, plant and equipment (including, without limitation, renewals, improvements and replacements, but excluding repairs and maintenance) during such period, that would be required to be capitalized on the balance sheet of such Person in accordance with GAAP.

"Capital Stock" shall mean, as applied to any Person, any capital

stock of such Person, regardless of class or designation, and all warrants, options, purchase rights, conversion or exchange rights, voting rights, calls or claims of any character with respect thereto.

"Capitalized Lease Obligation" shall mean that portion of any

obligation of a Person as lessee under a lease which at the time would be required to be capitalized on the balance sheet of such lessee in accordance with GAAP.

"Certificate of Financial Condition" shall mean certificates,

substantially in the form of Exhibit D attached hereto, signed by the chief

financial officer of each Borrower, as appropriate, together with any schedules, exhibits or annexes appended thereto.

"Change of Control" shall mean (a) the failure of the Parent to own,

directly or indirectly, one hundred percent (100%) of the ownership interests of ATS and ATS (Delaware), (b) the failure of ATS (Delaware) to own, directly or indirectly, one hundred percent (100%) of the ownership interests of ATSC Operating (unless such Persons are merged into ATS (Delaware)), (c) the sale, lease, transfer, in one or a series of related transactions, of all or substantially all of either Borrower's assets to any Person or group (as such term is used in Section 13(d)(3) of the Exchange Act) other than to the other Borrower or various Persons in the chain (i.e., any wholly-owned direct or indirect Subsidiary of ATS

(Delaware)), (d) the adoption of a plan relating to the liquidation or dissolution of the Parent, (e) the acquisition, directly or indirectly, by any Person or group (as such term is used in Section 13(d)(3) of the Exchange Act) of forty percent (40%) or more of the voting power of the voting stock of the Parent by way of merger or consolidation or otherwise and such Persons own more voting power than Principal Shareholders, or (f) the Continuing Directors cease for any reason to constitute a majority of the directors of the Parent then in office.

"Code" shall mean the Internal Revenue Code of 1986, as amended from

time to time.

"Collateral" shall mean any property of any kind constituting

collateral for the Obligations under any of the Security Documents.

"Collateral Agent" shall mean Toronto Dominion (Texas), Inc., acting

as Collateral Agent under the Security Documents and shall include any successor Collateral Agent appointed pursuant to Section 9.14 hereof.

"Communications Act" shall mean the Communications Act of 1934, and

any similar or successor federal statute, and the rules and regulations of the FCC thereunder, all as the same may be in effect from time to time.

"Continuing Director" shall mean any member of the Board of Directors

of the Parent who (i) is a member of that Board of Directors on the Agreement Date or (ii) was nominated for election by either (a) one or more of the Principal Shareholders (or a Related Party thereof) or (b) the Board of Directors a majority of whom were directors at the Agreement Date or whose election or nomination for election was previously approved by one or more of the Principal Shareholders or such directors.

"Default" shall mean any Event of Default, and any of the events

specified in Section 8.1 hereof, regardless of whether there shall have occurred any passage of time or giving of notice, or both, that would be necessary in order to constitute such event an Event of Default.

"Default Rate" shall mean a simple per annum interest rate equal to

the sum of (a) the Base Rate, (b) the Applicable Margin for Base Rate Advances, and (c) two percent (2%).

"Employee Pension Plan" shall mean any Plan which is maintained by

either Borrower, any of their Subsidiaries or any ERISA Affiliate.

"Environmental Laws" shall mean all applicable federal, state or local

laws, statutes, rules, regulations or ordinances, codes, common law, consent agreements, orders, decrees, judgments or injunctions issued, promulgated, approved or entered thereunder relating to public health, safety or the pollution or protection of the environment, including, without limitation, those relating to releases, discharges, emissions, spills, leaching, or disposals to air, water, land or ground water, to the withdrawal or use of ground water, to the use,

handling or disposal of polychlorinated biphenyls, asbestos or urea formaldehyde, to the treatment, storage, disposal or management of hazardous substances (including, without limitation, petroleum, crude oil or any fraction thereof, or other hydrocarbons), pollutants or contaminants, to exposure to toxic, hazardous or other controlled, prohibited, or regulated substances, including, without limitation, any such provisions under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. ' 9601 et seq.), or the Resource Conservation and Recovery Act of 1976, as amended (42 U.S.C. ' 6901 et seq.).

"ERISA" shall mean the Employee Retirement Income Security Act of

1974, as in effect from time to time.

"ERISA Affiliate" shall mean any Person, including a Subsidiary or an

Affiliate of either Borrower, that is a member of any group of organizations of which either Borrower, as the case may be, is a member and which is covered by a Plan.

"Eurodollar Reserve Percentage" shall mean the percentage which is in

effect from time to time under Regulation D of the Board of Governors of the Federal Reserve System, as such regulation may be amended from time to time, as the maximum reserve requirement applicable with respect to Eurocurrency Liabilities (as that term is defined in Regulation D), whether or not any Bank has any such Eurocurrency Liabilities subject to such reserve requirement at that time.

"Event of Default" shall mean any of the events specified in Section

8.1 hereof; provided, however, that any requirement for notice or lapse of time,

or both, has been satisfied.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as

amended.

"Excess Cash Flow" shall mean, as of the end of any fiscal year of the

Borrower based on the audited financial statements provided under Section 6.2 hereof for such fiscal year, the excess, if any, without duplication, of (a) Operating Cash Flow for such fiscal year, minus (b) the sum of the following:

(i) payments made with respect to Capital Expenditures (other than Capital Expenditures funded out of the Net Proceeds of any asset sale) by the Borrowers and their Restricted Subsidiaries during such fiscal year; (ii) repayments of the Facility B Loans and Facility A Loans resulting from reductions of the Facility B Commitment and Facility A Commitment, respectively (which shall include, without limitation, any reductions set forth in Section 2.5(a) hereof and of the Facility A Loan Agreement, respectively), and, if applicable, scheduled repayments of the Facility B Loans after the Termination Date scheduled repayments of other amounts outstanding under the ATS Facility A Loan Agreement; (iii) cash taxes paid by the Borrowers and their Restricted Subsidiaries during such fiscal year; (iv) Interest Expense during such fiscal year; (v) principal payments made in respect of Indebtedness for Money Borrowed (other than with respect to the Facility B

Loans, the ATS Facility A Loan Agreement and loans to Restricted Subsidiaries) paid by the Borrowers and their Restricted Subsidiaries during such fiscal year; and (vi) amounts distributed to the Parent pursuant to Section 7.7(c) hereof.

"Facility A Commitment" shall have the meaning ascribed to such terms

term in the ATS Facility A Loan Agreement.

"Facility A Loans" shall have the meaning ascribed to such term in

the ATS Facility A Loan Agreement.

"Facility B Capital Raise Proceeds" shall mean product of (a) (i) at

any time when the Senior Leverage Ratio is greater than or equal to 5.00 to 1, one hundred percent (100%) of the net proceeds of any sale of the Capital Stock of the Parent or debt instruments or other securities (other than (1) an amount not to exceed \$2,000,000 in the aggregate from the sale of securities in connection with any employee stock option plan of either Borrower or the Parent, (2) an amount equal to the amount required to redeem the Redeemable Pay-In-Kind Preferred Stock referred to in the definition of "Interim Financing" and to pay the fees and other costs and expenses associated with the Interim Financing, and (3) net proceeds received by the Borrowers from the proceeds of the loans under the Parent Loan Agreement), or (ii) at any time when the Senior Leverage Ratio is less than 5.00 to 1, fifty percent (50%) of the net proceeds of any sale of the Capital Stock of the Parent or debt instruments or other securities of either Borrower or the Parent (other than an amount not to exceed \$2,000,000 in the aggregate from the sale of securities in connection with any employee stock option plan of either Borrower or the Parent) times (b) the ratio of (i) the

Facility B Loans then outstanding (or the Facility B Commitment if there are no Facility B Loans then outstanding) to (ii) the sum of (A) the Facility B Loans then outstanding (or the Facility B Commitment if there are no Facility B Loans then outstanding), and (B) the Facility A Loans then outstanding (or the Facility A Commitment if there are no Facility A Loans then outstanding).

"Facility B Commitment" shall mean the several obligations of the

Banks to advance in an aggregate amount of up to \$250,000,000 at any one time outstanding, in accordance with their respective Facility B Commitment Ratios, to the Borrowers pursuant to the terms hereof and as such obligations may be reduced from time to time pursuant to the terms hereof.

"Facility B Commitment Ratios" shall mean the percentages in which the

Banks are severally bound to fund their respective portion of Advances to the Borrowers under the Facility B Commitment, which are set forth below (together with dollar amounts) (and which may change from time to time in accordance with Section 11.5 hereof):

Bank	Facility B Commitment Ratio	Total Dollar Commitment
-----	-----	-----
Toronto Dominion (Texas), Inc.	6.33333334%	\$ 15,833,333.34
The Chase Manhattan Bank	5.22222223%	\$ 13,055,555.56
The Bank of New York	5.22222223%	\$ 13,055,555.56
The Bank of Nova Scotia	4.77777778%	\$ 11,944,444.45
Barclays Bank, plc	4.77777778%	\$ 11,944,444.45
Credit Lyonnais New York Branch	4.77777778%	\$ 11,944,444.45
Credit Suisse First Boston	4.77777778%	\$ 11,944,444.45
Fleet National Bank	4.77777778%	\$ 11,944,444.45
General Electric Capital Corporation	4.77777778%	\$ 11,944,444.45
Key Corporate Capital Inc.	4.77777778%	\$ 11,944,444.45
Union Bank of California, N.A.	4.77777778%	\$ 11,944,444.45
Bank of America National Trust and Savings Association	3.88888889%	\$ 9,722,222.22
Bank of Montreal	3.88888889%	\$ 9,722,222.22
Bankers Trust Company	3.88888889%	\$ 9,722,222.22
Lehman Commercial Paper Inc.	3.88888889%	\$ 9,722,222.22
Morgan Stanley Senior Funding, Inc.	3.88888889%	\$ 9,722,222.22
CoBank, ACB	2.77777778%	\$ 6,944,444.45
PNC Bank, National Association	2.77777778%	\$ 6,944,444.45
Societe Generale, New York Branch	2.77777778%	\$ 6,944,444.45
Dresdner Bank AG, New York and Grand Cayman Branches	2.22222223%	\$ 5,555,555.55
BankBoston, N.A.	1.66666666%	\$ 4,166,666.66
Crestar Bank	1.66666666%	\$ 4,166,666.66
The Long-Term Credit Bank of Japan,, Ltd., New York Branch	1.66666666%	\$ 4,166,666.66
Mellon Bank, N.A.	1.66666666%	\$ 4,166,666.66
Mercantile Bank National Association	1.66666666%	\$ 4,166,666.66
First National Bank of Maryland	1.66666666%	\$ 4,166,666.66
National Bank of Canada	1.66666666%	\$ 4,166,666.66
State Street Bank and Trust Company	1.66666666%	\$ 4,166,666.66
US Trust	1.66666666%	\$ 4,166,666.66
=====	=====	=====
TOTAL	100%	\$250,000,000.00

"Facility B Excess Cash Flow" shall mean the product of (A) the

product of (i) Excess Cash Flow times (ii) fifty percent (50%), times (b) the

ratio of (i) the Facility B Loans then outstanding (or the Facility B Commitment if there are no Facility B Loans then outstanding) to (ii) the sum of (a) the Facility B Loans then outstanding (or the Facility B Commitment if there are no Facility B Loans then outstanding), and (B) the Facility A Loans then outstanding (or the Facility A Commitment if there are no Facility A Loans then outstanding).

"Facility B Loans" shall mean, collectively, the amounts advanced by

the Banks to the Borrowers under the Facility B Loan Commitment, not to exceed
the amount of the Facility B Loan Commitment, and evidenced by the Facility B
Notes.

"Facility B Net Proceeds" shall mean the product of (a) the Net

Proceeds of any sale or other disposition of assets permitted hereunder (other
than sales or other dispositions of equipment in the ordinary course of business
or sales to or among either Borrower or a Restricted Subsidiary), times (b) the

ratio of (i) the Facility B Loans then outstanding (or the Facility B Commitment
if there are no Facility B Loans then outstanding) to (ii) the sum of (A) the
Facility B Loans then outstanding (or the Facility B Commitment if there are no
Facility B Loans then outstanding), and (B) the Facility A Loans then
outstanding (or the Facility A Commitment if there are no Facility A Loans then
outstanding).

"Facility B Notes" shall mean, collectively, those certain promissory

notes in an aggregate original principal amount of the Facility B Loan
Commitment, and one (1) issued to each of the Banks by the Borrowers with
respect to the Facility B Loan Commitment, each one substantially in the form of
Exhibit E attached hereto, and any extensions, renewals or amendments to, or

replacements of, the foregoing.

"FCC" shall mean the Federal Communications Commission, or any other

similar or successor agency of the federal government administering the
Communications Act.

"Federal Funds Rate" shall mean, as of any date, the weighted average

of the rates on overnight federal funds transactions with the members of the
Federal Reserve System arranged by federal funds brokers, as published for such
day (or, if such day is not a Business Day, for the next preceding Business Day)
by the Federal Reserve Bank of New York or, if such rate is not so published for
any day which is a Business Day, the average of the quotations for such day on
such transactions received by the Administrative Agent from three (3) federal
funds brokers of recognized standing selected by the Administrative Agent.

"Fixed Charges" shall mean for the Borrowers and their Restricted

Subsidiaries, on a consolidated basis, the sum of (a) Interest Expense, (b)
commitment and other fees incurred in connection with this Agreement and the ATS
Facility A Loan Agreement, (c) all scheduled principal repayments with respect
to any Indebtedness for Money Borrowed, (d) taxes paid in cash, and (e) Capital
Expenditures made by the Borrowers, their Restricted Subsidiaries and the Parent
(other than from the reinvestment of asset sale proceeds and insurance proceeds,
to the extent permitted hereunder), in each case for the immediately preceding
twelve (12) calendar month period then ended, and in each case as calculated in
accordance with GAAP.

"Fixed Charges Coverage Ratio" shall mean, as of any calculation date, the

ratio of (a) the sum of (i) Annualized Operating Cash Flow as of the most
recently completed fiscal quarter, plus (ii) for all periods ending on or prior

to December 31, 2000, the sum of (A) the amount of unused Facility B Commitment
as of such date under this Agreement and the Facility A Commitment which could
be borrowed on such date in compliance with Section 7.8 hereof and (B) the net
cash proceeds of any equity issued, directly or indirectly, by either Borrower
to the Parent during such period (after deducting any portion thereof applied to
the Facility B Loans or the Facility A Loans) to (b) Fixed Charges.

"GAAP" shall mean, as in effect from time to time, generally accepted

accounting principles in the United States, consistently applied.

"Guaranty" or "Guaranteed," as applied to an obligation, shall mean and

include (a) a guaranty, direct or indirect, in any manner, of all or any part of
such obligation, and (b) any agreement, direct or indirect, contingent or
otherwise, the practical effect of which is to assure in any way the payment or
performance (or payment of damages in the event of non-performance) of all or
any part of such obligation, including, without limiting the foregoing, any
reimbursement obligations as to amounts drawn down by beneficiaries of
outstanding letters of credit or capital call requirements; provided, however,

that the term "Guarantee" shall not include guarantees entered into in the
ordinary course of business, including, without limitation, the New Tower
Operation Business, not involving Indebtedness for Money Borrowed.

"Indebtedness" shall mean, with respect to any Person, and without

duplication, (a) all items, except items of shareholders' and partners' equity
or capital stock or surplus or general contingency or deferred tax reserves,
which in accordance with GAAP would be included in determining total liabilities
as shown on the liability side of a balance sheet of such Person, including,
without limitation, with respect to any secured non-recourse obligations of such
Person, the higher of the book value or fair market value of the property or
asset securing such obligation (if less than the amount of such obligation), (b)
all direct or indirect obligations of any other Person secured by any Lien to
which any property or asset owned by such Person is subject, but only to the
extent of the higher of the fair market value or the book value of the property
or asset subject to such Lien (if less than the amount of such obligation), if
the obligation secured thereby shall not have been assumed, (c) to the extent
not otherwise included, all Capitalized Lease Obligations of such Person and all
obligations of such Person with respect to leases constituting part of a sale
and lease-back arrangement, (d) all reimbursement obligations with respect to
outstanding letters of credit, and (e) to the extent not otherwise included, all
obligations subject to Guaranties of such Person or its Subsidiaries, and (f)
all obligations of such Person under Interest Hedge Agreements; provided,

however, that the Intracoastal Notes shall not be deemed to be, and shall be

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excluded from, Indebtedness.

"Indebtedness for Money Borrowed" shall mean, with respect to any Person,

Indebtedness for money borrowed and Indebtedness represented by notes payable and drafts accepted representing extensions of credit, all obligations evidenced by bonds, debentures, notes or other similar instruments, all Indebtedness upon which interest charges are customarily paid (other than trade payables arising in the ordinary course of business, but only if and so long as such accounts are payable on customary trade terms), all Capitalized Lease Obligations, all reimbursement obligations with respect to outstanding letters of credit, all Indebtedness issued or assumed as full or partial payment for property or services (other than trade payables arising in the ordinary course of business, but only if and so long as such accounts are payable on customary trade terms), whether or not any such notes, drafts, obligations or Indebtedness represent Indebtedness for money borrowed, and, without duplication, Guaranties of any of the foregoing; provided, however, that the Intracoastal Notes shall not be

deemed to be, and shall be excluded from, Indebtedness. For purposes of this definition, interest which is accrued but not paid on the scheduled due date for such interest shall be deemed Indebtedness for Money Borrowed.

"Indemnatee" shall have the meaning ascribed thereto in Section 5.11

hereof.

"Intercreditor Agreement" shall mean that certain Intercreditor Agreement

dated as of the even date herewith among the Banks, the Administrative Agent, the Administrative Agent and the Lenders under the Parent Loan Agreement, and the Administrative Agent and the Banks under the ATS Facility A Loan Agreement.

"Interest Coverage Ratio" shall mean, with respect to any period, the ratio

of (a) Annualized Operating Cash Flow to (b) Interest Expense.

"Interest Expense" shall mean, for any period, all cash interest expense

(including imputed interest with respect to Capitalized Lease Obligations) with respect to any Indebtedness for Money Borrowed of the Borrowers and their Restricted Subsidiaries and the Parent on a consolidated basis during such period pursuant to the terms of such Indebtedness for Money Borrowed, all as calculated in accordance with GAAP.

"Interest Hedge Agreements" shall mean the obligations of any Person

pursuant to any arrangement with any other Person whereby, directly or indirectly, such Person is entitled to receive from time to time periodic payments calculated by applying either a floating or a fixed rate of interest on a stated notional amount in exchange for periodic payments made by such Person calculated by applying a fixed or a floating rate of interest on the same notional amount and shall include, without limitation, interest rate swaps, caps, floors, collars and similar agreements.

"Interest Period" shall mean (a) in connection with any Base Rate Advance,

the period beginning on the date such Advance is made and ending on the last day of the calendar quarter in which such Advance is made, provided, however, that

if a Base Rate Advance is

made on the last day of any calendar quarter, it shall have an Interest Period ending on, and its Payment Date shall be, the last day of the following calendar quarter, and (b) in connection with any LIBOR Advance, the term of such Advance selected by the Borrower or otherwise determined in accordance with this Agreement. Notwithstanding the foregoing, however, (i) any applicable Interest Period which would otherwise end on a day which is not a Business Day shall be extended to the next succeeding Business Day unless, with respect to LIBOR Advances only, such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day, (ii) any applicable Interest Period, with respect to LIBOR Advances only, which begins on a day for which there is no numerically corresponding day in the calendar month during which such Interest Period is to end shall (subject to clause (i) above) end on the last day of such calendar month, and (iii) the Borrower shall not select an Interest Period which extends beyond the Termination Date, or, if applicable, the Maturity Date or such earlier date as would interfere with the Borrowers' repayment obligations under Section 2.5, 2.6 or 2.7 hereof. Interest shall be due and payable with respect to any Advance as provided in Section 2.3 hereof.

"Interest Rate Basis" shall mean the Base Rate Basis or the LIBOR Basis, as

appropriate.

"Interim Financing" shall mean the Redeemable Pay-In-Kind Preferred Stock

referred to in the Private Placement Memorandum, dated as of May 28, 1998 (a true and correct copy of which has been delivered to the Administrative Agent), and shall include the Exchange Preferred (as defined therein).

"Intracoastal Notes" shall mean the partially non-recourse notes of ATS

(true and correct copies of which have been delivered to the Administrative Agent), in the aggregate principal amount of \$12,000,000, issued or to be issued by ATS in connection with the merger of Intracoastal Broadcasting, Inc., a Delaware corporation, into ATS (Delaware).

"Investment " shall mean any investment or loan by either Borrower or any

Restricted Subsidiary in or to any Person which Person, (a) after giving to such investment or loan, is not consolidated with the Borrowers and the Restricted Subsidiaries in accordance with GAAP, or (b) is designated as an Unrestricted Subsidiary in accordance with the terms hereof.

"known to the Borrower" or "to the knowledge of the Borrower" shall mean

known by or reasonably should have been known by the executive officers of either Borrower (which shall include, without limitation, the chief executive officer, the chief operating officer, if any, the chief financial officer, the general counsel and any vice president of either Borrower or of ATSC GP).

"LIBOR" shall mean, for any Interest Period, the average of the interest

rates per annum at which deposits in United States Dollars for such Interest Period are offered to the

Administrative Agent in the Eurodollar market at approximately 11:00 a.m. (London, England time) two (2) Business Days before the first day of such Interest Period, in an amount approximately equal to the principal amount of, and for a length of time approximately equal to the Interest Period for, the LIBOR Advance sought by either Borrower.

"LIBOR Advance" shall mean an Advance which either Borrower requests to be

made as a LIBOR Advance or which is reborrowed as a LIBOR Advance, in accordance with the provisions of Section 2.2 hereof, and which shall be in a principal amount of at least \$5,000,000 and in an integral multiple of \$1,000,000.

"LIBOR Basis" shall mean a simple per annum interest rate (rounded upward,

if necessary, to the nearest one-hundredth (1/100th) of one percent (1%) equal to the sum of (a) the quotient of (i) the LIBOR divided by (ii) one minus the

Eurodollar Reserve Percentage, if any, stated as a decimal, plus (b) the

Applicable Margin. The LIBOR Basis shall apply to Interest Periods of one (1), two (2), three (3), or six (6) months, and, once determined, shall remain unchanged during the applicable Interest Period, except for changes to reflect adjustments in the Eurodollar Reserve Percentage and the Applicable Margin as adjusted pursuant to Section 2.3(f) hereof. The LIBOR Basis for any LIBOR Advance shall be adjusted as of the effective date of any change in the Eurodollar Reserve Percentage.

"Licenses" shall mean any telephone, microwave, radio transmissions,

personal communications or other license, authorization, certificate of compliance, franchise, approval or permit, whether for the construction, the ownership or the operation of any communications tower facilities, granted or issued by the FCC and held by either Borrower or any of the Restricted Subsidiaries, all of which as of the Agreement Date are listed on Schedule 1

attached hereto.

"Lien" shall mean, with respect to any property, any mortgage, lien,

pledge, negative pledge or other agreement not to pledge, assignment, charge, security interest, title retention agreement, levy, execution, seizure, attachment, garnishment or other encumbrance of any kind in respect of such property, whether created by statute, contract, the common law or otherwise, and whether or not choate, vested or perfected.

"Loan Documents" shall mean this Agreement, the Notes, the Security

Agreements, the Borrowers' Guarantees, the Stock Pledge Agreement, all Subsidiary Pledge Agreements, all Subsidiary Security Agreements, all Subsidiary Guaranties, all Assignments of Intercompany Notes, all Subordination Agreements, the Parent Guaranty, the Parent Pledge Agreement, the Assignment of Limited Partner Interests, the Assignment of General Partner Interests, all fee letters, all Requests for Advance, all Interest Hedge Agreements between either Borrower, on the one hand, and the Administrative Agent and the Banks, or any of them, on the other hand, and all other documents and agreements executed or delivered by either Borrower or any of the Restricted Subsidiaries or the Parent in connection with or

contemplated by this Agreement; provided, however, that Loan Documents shall

exclude, except as otherwise specifically provided herein, the "Loan Documents" under the Parent Loan Agreement.

"Loan-Purchase Agreement" shall mean any agreement as related agreements

between the Borrower or any Restricted Subsidiary and any other Person pursuant to the terms of which (a) the Borrower or such Restricted Subsidiary has made a loan to such Person permitted by Section 7.6(d) hereof and (b) the Borrower or such Restricted Subsidiary shall agree to acquire all or substantially all of the assets of such Person within the twelve (12) calendar month period immediately following the date of such agreement.

"Majority Banks" shall mean (i) at any time that no Facility B Loans are

outstanding hereunder, Banks the total of whose Facility B Commitment Ratios equals or exceeds sixty percent (60%) of the Facility B Commitment Ratios of all Banks entitled to vote hereunder, or (ii) at any time that there are Facility B Loans outstanding hereunder, Banks the total of whose Facility B Loans outstanding equals or exceeds sixty percent (60%) of the total principal amount of the Facility B Loans then outstanding of all Banks entitled to vote hereunder.

"Materially Adverse Effect" shall mean (a) any material adverse effect upon

the business, assets, business prospects, liabilities, financial condition, results of operations or properties of the Borrowers and the Restricted Subsidiaries, taken as a whole, or (b) a material adverse effect upon the binding nature, validity, or enforceability of this Agreement and the Facility B Notes, or upon the ability of the Borrowers and the Restricted Subsidiaries to perform the payment obligations or other material obligations under this Agreement or any other Loan Document, or upon the value of the Collateral or upon the rights, benefits or interests of the Banks in and to the Facility B Loans or the rights of the Administrative Agent and the Banks in the Collateral; in either case, whether resulting from any single act, omission, situation, status, event or undertaking, or taken together with other such acts, omissions, situations, statuses, events or undertakings.

"Maturity Date" shall have the meaning ascribed thereto in the Facility A

Loan Agreement.

"Multiemployer Plan" shall mean a multiemployer pension plan as defined in

Section 3(37) of ERISA to which either Borrower, any of its Subsidiaries or any ERISA Affiliate is or has been required to contribute.

"Necessary Authorizations" shall mean all approvals and licenses from, and

all filings and registrations with, any governmental or other regulatory authority, including, without limiting the foregoing, the Licenses and all approvals, licenses, filings and registrations under the Communications Act, necessary in order to enable the Borrowers and the Restricted Subsidiaries to own, construct, maintain, and operate communications tower facilities and to

invest in other Persons who own, construct, maintain, manage and operate communications tower facilities.

"Net Income" shall mean, for the Borrowers and the Restricted Subsidiaries

on a consolidated basis, for any period, net income determined in accordance with GAAP.

"Net Proceeds" shall mean, with respect to any sale, lease, transfer or

other disposition of assets by either Borrower or any of the Restricted Subsidiaries, the aggregate amount of cash received for such assets (including, without limitation, any payments received for noncompetition covenants, consulting or management fees in connection with such sale, and any portion of the amount received evidenced by a promissory note or other evidence of Indebtedness issued by the purchaser), net of (i) amounts reserved, if any, for taxes payable with respect to any such sale (after application (assuming application first to such reserves) of any available losses, credits or other offsets), (ii) reasonable and customary transaction costs properly attributable to such transaction and payable by either Borrower or any of the Restricted Subsidiaries (other than to an Affiliate) in connection with such sale, lease, transfer or other disposition of assets, including, without limitation, commissions, and (iii) until actually received by either Borrower or any of the Restricted Subsidiaries, any portion of the amount received held in escrow or evidenced by a promissory note or other evidence of Indebtedness issued by a purchaser or non-compete, consulting or management agreement or covenant or otherwise for which compensation is paid over time. Upon receipt by either Borrower or any of the Restricted Subsidiaries of (A) amounts referred to in item (iii) of the preceding sentence, or (B) if there shall occur any reduction in the tax reserves referred to in item (i) of the preceding sentence resulting in a payment to either Borrower or any of the Restricted Subsidiaries, such amounts shall then be deemed to be "Net Proceeds."

"New Towers" shall mean any communications tower constructed by either

Borrower or any of its Restricted Subsidiaries after (or not yet completed as of) the Agreement Date. For purposes of this definition, a communications tower shall be deemed "completed" as of the date one bona fide customer uses communications equipment installed on such tower and shall not be considered a "New Tower" after the end of the twelfth (12/th/) calendar month following the month of completion.

"New Tower Operation Business" shall mean the operation by either Borrower

or its Restricted Subsidiaries of New Towers.

"Non-U.S. Bank" shall have the meaning ascribed to such term in Section

2.8(a) hereof.

"Notes" shall mean the Facility B Notes.

"Obligations" shall mean all payment and performance obligations of every kind, nature and description of the Borrowers, the Restricted Subsidiaries, and any other obligors to the Banks, or the Administrative Agent, or any of them, under this Agreement and the

other Loan Documents (including, without limitation, any interest, fees and other charges on the Facility B Loans or otherwise under the Loan Documents that would accrue but for the filing of a bankruptcy action with respect to either Borrower, whether or not such claim is allowed in such bankruptcy action), and including Obligations to the Banks pursuant to Section 5.12 hereof) as they may be amended from time to time, or as a result of making the Facility B Loans, whether such obligations are direct or indirect, absolute or contingent, due or not due, contractual or tortious, liquidated or unliquidated, arising by operation of law or otherwise, now existing or hereafter arising.

"Operating Cash Flow" shall mean, for any fiscal year, the sum of Operating Cash Flow (New Towers), Operating Cash Flow (Towers) and Operating Cash Flow (Other Business) for such year.

"Operating Cash Flow (New Towers)" shall mean, with respect to the Borrowers and the Restricted Subsidiaries on a consolidated basis as of the end of any period, (a) the sum of (i) operating revenues of the Borrowers and the Restricted Subsidiaries in connection with the New Tower Operation Business, plus (ii) Unrestricted Subsidiary Distributions with respect to businesses of such Persons of the same type as the New Tower Operation Business during such period, less (b) operating expenses attributable to such New Tower Operation Business for such period. In the case of determining Operating Cash Flow (New Towers) under Sections 2.3, 7.8, 7.9, 7.10, 7.11 and 7.12 hereof following an Acquisition of a New Tower Operation Business permitted hereunder, Operating Cash Flow (New Towers) shall include the Acquisition Operating Cash Flow. For purposes of calculating Operating Cash Flow (New Towers) in connection with any Advance for an Acquisition of a New Tower Operation Business, Operating Cash Flow (New Towers) for the Borrowers and the Restricted Subsidiaries as of the last day of the immediately preceding calendar month end shall include "operating cash flow (new towers)" for the Acquisition for the same period after giving effect to adjustments reasonably satisfactory to the Administrative Agent. For purposes of this definition, Operating Cash Flow (New Towers) shall include the foregoing items (each calculated in a manner substantially similar to the financial statements required to be delivered pursuant to Sections 6.1 and 6.2 hereof and otherwise in all respects reasonably satisfactory to the Administrative Agent) with respect to any Person with whom either Borrower has entered into a Loan-Purchase Agreement; provided, however, that with respect to any such Person such items shall not be included for any period exceeding twelve (12) calendar months unless such Person becomes a Restricted Subsidiary of such Borrower.

"Operating Cash Flow (Towers)" shall mean, with respect to the Borrowers and their Restricted Subsidiaries on a consolidated basis as of the end of any period, (a) the sum of (i) operating revenues of the Borrowers and their Restricted Subsidiaries in connection with the Tower Operation Business, plus (ii) Unrestricted Subsidiary Distributions with respect to businesses of such Persons of the same type as Tower Operation Business during such period, less (b) operating expenses attributable to such Tower Operation Business for such period. In the case of determining Operating Cash Flow (Towers) under Sections 2.3, 7.8,

7.9, 7.10, 7.11 and 7.12 hereof following an Acquisition of a Tower Operation Business permitted hereunder, Operating Cash Flow (Towers) shall include the Acquisition Operating Cash Flow. For purposes of calculating Operating Cash Flow in connection with any Advance for an Acquisition of a Tower Operation Business, Operating Cash Flow (Towers) as of the last day of the immediately preceding calendar month end shall include "operating cash flow (towers)" for the Acquisition for the same period after giving effect to adjustments reasonably satisfactory to the Administrative Agent. For purposes of this definition, Operating Cash Flow (Towers) shall include the foregoing items (each calculated in a manner substantially similar to the financial statements required to be delivered pursuant to Sections 6.1 and 6.2 hereof and otherwise in all respects reasonably satisfactory to the Administrative Agent) with respect to any Person with whom either Borrower has entered into a Loan-Purchase Agreement; provided,

however, that with respect to any such Person such items shall not be included

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for any period exceeding twelve (12) calendar months unless such Person becomes a Restricted Subsidiary of such Borrower.

"Operating Cash Flow (Other Business)" shall mean, with respect to the

Borrowers and their Restricted Subsidiaries on a consolidated basis as of the end of any period, (a) the sum of (i) operating revenues of the Borrowers and their Restricted Subsidiaries in connection with the Other Operations, plus (ii)

Unrestricted Subsidiary Distributions with respect to businesses of such Persons of the same type as the Other Operations during such period, less (b) operating

expenses attributable to such Other Operations for such period. In the case of determining Operating Cash Flow (Other Business) under Sections 2.3, 7.8, 7.9, 7.10, 7.11 and 7.12 hereof following an Acquisition of Other Operations permitted hereunder, Operating Cash Flow (Other Business) shall include the Acquisition Operating Cash Flow. For purposes of calculating Operating Cash Flow (Other Business) in connection with any Advance for an Acquisition of Other Operations, Operating Cash Flow (Other Business) as of the last day of the immediately preceding calendar month end shall include "operating cash flow (other business)" for the Acquisition for the same period after giving effect to adjustments reasonably satisfactory to the Administrative Agent.

"Other Operations" shall mean all businesses of the Borrowers and their

Restricted Subsidiaries (other than the Tower Operations Business and the New Tower Operations Business), including, without limitation, the video, voice and data transmission business and the site acquisition business.

"Parent" shall mean American Tower Corporation, a Delaware corporation.

"Parent Guaranty" shall mean that certain Parent Guaranty dated as of the even date herewith, made by the Parent in favor of the Collateral Agent, substantially in the form of Exhibit F attached hereto.

"Parent Loan Agreement" shall mean that certain Parent Loan Agreement dated as of even date herewith by and among the Parent, the Administrative Agent and the lenders

parties thereto, providing for a term credit facility in an amount not to exceed \$150,000,000, as the same may be amended, modified, supplemented or restated from time to time.

"Parent Pledge Agreement" shall mean that certain Parent Pledge Agreement

dated as of even date herewith, made by Parent in favor of the Collateral Agent, substantially in the form of Exhibit G attached hereto.

"Payment Date" shall mean the last day of any Interest Period.

"PBGC" shall mean the Pension Benefit Guaranty Corporation, or any successor thereto.

"Permitted Liens" shall mean, as applied to any Person:

(a) any Lien in favor of the Administrative Agent or the Collateral Agent given to secure the Obligations and the "Obligations" under the ATS Facility A Loan Agreement;

(b) (i) Liens on real estate or other property for taxes, assessments, governmental charges or levies not yet delinquent and (ii) Liens for taxes, assessments, judgments, governmental charges or levies or claims the non-payment of which is being diligently contested in good faith by appropriate proceedings and for which adequate reserves have been set aside on such Person's books, but only so long as no foreclosure, distraint, sale or similar proceedings have been commenced with respect thereto;

(c) Liens of carriers, warehousemen, mechanics, vendors, (solely to the extent arising by operation of law) laborers and materialmen incurred in the ordinary course of business for sums not yet due or being diligently contested in good faith, if reserves or appropriate provisions shall have been made therefor;

(d) Liens incurred in the ordinary course of business in connection with worker's compensation and unemployment insurance, social security obligations, assessments or government charges which are not overdue for more than sixty (60) days;

(e) restrictions on the transfer of the Licenses or assets of either Borrower or the Restricted Subsidiaries imposed by any of the Licenses as presently in effect or by the Communications Act and any regulations thereunder;

(f) easements, rights-of-way, zoning restrictions, licenses, reservations or restrictions on use and other similar encumbrances on the use of real property which do not materially interfere with the ordinary conduct of the business of such Person or the use of such property;

(g) Liens arising by operation of law in favor of purchasers in connection with any asset sale permitted hereunder; provided, however, that such

Lien only encumbers the property being sold;

(h) Liens reflected by Uniform Commercial Code financing statements filed in respect of Capitalized Lease Obligations permitted pursuant to Section 7.1 hereof and true leases of either Borrower or any of their Subsidiaries;

(i) Liens to secure performance of statutory obligations, surety or appeal bonds, performance bonds, bids or tenders;

(j) judgment Liens which do not result in an Event of Default under Section 8.1 (h) hereof;

(k) Liens in connection with escrow deposits made in connection with Acquisitions permitted hereunder;

(l) Liens in favor of the lenders under the Parent Loan Agreement, which Liens are subject to the Intercreditor Agreement; and

(m) Liens of a nature contemplated by the penultimate sentence of Section 5.13 hereof.

"Person" shall mean an individual, corporation, limited liability company,

association, partnership, joint venture, trust or estate, an unincorporated organization, a government or any agency or political subdivision thereof, or any other entity.

"Plan" shall mean an employee benefit plan within the meaning of Section

3(3) of ERISA or any other employee benefit plan maintained for employees of any Person or any affiliate of such Person.

"Principal Shareholders" shall mean, collectively, (a) Steven B. Dodge, (b)

the legal heirs of Steven B. Dodge, (c) Thomas H. Stoner, (d) the legal heirs of Thomas H. Stoner, and (e) any Person the securities of which would be deemed to be beneficially owned by any of the foregoing Persons pursuant to the provisions of Rule 13(d)(3) under the Exchange Act.

"Prior Loan Agreement" shall mean that certain Amended and Restated Loan

Agreement dated as of October 15, 1997 by and among American Tower Systems, Inc., as Borrower, the financial institutions parties thereto, as Banks, and Toronto Dominion (Texas), Inc., as Administrative Agent, as amended by that certain First Amendment to Amended and Restated Loan Agreement dated as of December 31, 1997, that certain Assumption Agreement dated as of January 21, 1998, that certain Second Amendment to Amended and

Restated Loan Agreement dated as of March 27, 1998, and that certain Third Amendment to Amended and Restated Loan Agreement dated as of May 11, 1998.

"Pro Forma Debt Service" shall mean with respect to the twelve (12)

calendar month period following the calculation date, and after giving effect to any Interest Hedge Agreements and LIBOR Advances, the sum of the amount of all of the following with respect to the Borrowers, the Restricted Subsidiaries and the Parent, on a consolidated basis, (a) scheduled payments of principal on Indebtedness for Money Borrowed (determined with respect to the Facility B Loans only, as the difference between the outstanding principal amount of the Facility B Loans on the calculation date and the amount the Facility B Commitment will be after the reductions thereof set forth in Section 2.5 hereof for such twelve calendar month period have taken effect) for such period, (b) Interest Expense for such period, (c) fees payable under this Agreement, the Facility A Loan Agreement and the Parent Loan Agreement for such period, and (d) other payments payable by such Persons during such period in respect of Indebtedness for Money Borrowed (other than voluntary repayments). For purposes of this definition, where interest payments for the twelve (12) month period immediately succeeding the calculation date are not fixed by way of Interest Hedge Agreements, LIBOR Advances, or otherwise for the entire period, interest shall be calculated on such Indebtedness for Money Borrowed for periods for which interest payments are not so fixed at the lesser of (i) the LIBOR Basis (based on the then current adjustment under Section 2.3(f) hereof) for a LIBOR Advance having an Interest Period of six (6) months as determined on the date of calculation and (ii) the Base Rate Basis as in effect on the date of calculation; provided, however, that

if such LIBOR Basis cannot be determined in the reasonable opinion of the Administrative Agent, such interest shall be calculated using the Base Rate Basis as then in effect.

"Projections" shall have the meaning ascribed thereto in Section 4.1(r)

hereof.

"Register" shall have the meaning ascribed to such term in Section 11.5(g)

hereof.

"Registered Noteholder" shall mean each Non-U.S. Bank that requests or

holds a Registered Note pursuant to Section 2.8(a) hereof or registers its Facility B Loans pursuant to Section 11.5(g) hereof.

"Registered Notes" shall mean those certain Facility B Notes that have been

issued in registered form in accordance with Sections 2.8(a) and 11.5(g) hereof and each of which bears the following legend: "This is a Registered Note, and this Registered Note and the Facility B Loans evidenced hereby may be assigned or otherwise transferred in whole or in part only by registration of such assignment or transfer on the Register and in compliance with all other requirements provided for in the ATS Facility B Loan Agreement."

"Reportable Event" shall mean, with respect to any Employee Pension Plan,

an event described in Section 4043(b) of ERISA.

"Request for Advance" shall mean a certificate designated as a "Request for

Advance," signed by an Authorized Signatory of either Borrower requesting an
Advance hereunder, which shall be in substantially the form of Exhibit H

attached hereto, and shall, among other things, (i) specify the date of the
Advance, which shall be a Business Day, the amount of the Advance, the type of
Advance (LIBOR or Base Rate), and, with respect to LIBOR Advances, the Interest
Period with respect thereto, (ii) state that there shall not exist, on the date
of the requested Advance and after giving effect thereto, a Default, as of the
date of such Advance and after giving effect thereto, and (iii) the Applicable
Margin then in effect.

"Required Lenders" shall mean, at any time, Persons whose Facility A

Commitment and Facility B Commitment equal or exceed sixty percent (60%) of the
aggregate amount of the Facility A Commitment and Facility B Commitment under
and the Facility A Loan Agreement and the Facility B Loan Agreement (after
giving effect to any reductions in such Facility A Commitment and Facility B
Commitment but without giving effect to any Facility A Loans and Facility B
Loans outstanding); provided however, that if such Facility A Commitment and

Facility B Commitment have been terminated or cancelled, "Required Lenders"

shall mean Persons whose Facility A Loans and Facility B Loans equal or exceed
sixty percent (60%) of the aggregate amount of such Facility A Loans and
Facility B Loans then outstanding.

"Restricted Payment" shall mean any direct or indirect distribution,

dividend or other payment to any Person (other than to either Borrower or any of
the Restricted Subsidiaries) on account of (a) any general or limited
partnership interest in, or shares of Capital Stock or other securities of,
either Borrower (other than dividends payable solely in general or limited
partnership interests or stock of such Person and stock splits), including,
without limitation, any direct or indirect distribution, dividend or other
payment to any Person (other than to either Borrower or any of the Restricted
Subsidiaries) on account of any warrants or other rights or options to acquire
shares of Capital Stock of either Borrower or any of the Restricted
Subsidiaries, or (b) any management or similar agreement with an Affiliate of
such Person not (i) in compliance with Section 7.13 hereof or (ii) in the
ordinary course of business, it being understood that the payment of fees in
connection with the Interim Financing shall not be deemed to be a Restricted
Payment.

"Restricted Subsidiary" shall mean any Subsidiary of either Borrower other

than an Unrestricted Subsidiary. The Restricted Subsidiaries as of the Agreement
Date are as set forth on Schedule 2 attached hereto.

"Sconnix Note" shall mean the note of Sconnix Broadcasting Company, a New

Hampshire limited partnership (a true and correct copy of which has been
delivered to the Administrative Agent), in the aggregate principal amount of
\$12,000,000, acquired or to be

acquired by ATS (Delaware) in connection with the merger of Intracoastal Broadcasting, Inc., a Delaware corporation, into ATS (Delaware).

"Security Agreement" shall mean that certain Security Agreement dated as of -----
even date herewith, made by the Borrowers in favor of the Collateral Agent for the ratable benefit of the Banks, substantially in the form of Exhibit I -----
attached hereto.

"Security Documents" shall mean each Borrower Guaranty, each Security -----
Agreement, the Stock Pledge Agreement, all Subsidiary Guaranties, all Subsidiary Pledge Agreements, all Subsidiary Security Agreements, all Assignments of Intercompany Facility B Loans, each Assignment of General Partner Interests, each Assignment of Limited Partner Interests, the Parent Pledge Agreement, the Parent Guaranty, any other agreement or instrument providing collateral for the Obligations whether now or hereafter in existence, and any filings, instruments, agreements, and documents related thereto or to this Agreement, and providing the Collateral Agent, for the benefit of the Banks, with Collateral for the Obligations.

"Security Interest" shall mean all Liens in favor of the Collateral Agent, -----
for the benefit of the Banks, created hereunder or under any of the Security Documents to secure the Obligations.

"Senior Debt" shall mean, for the Borrowers and the Restricted Subsidiaries -----
on a consolidated basis as of any date, the sum of (without duplication) (i) the outstanding principal amount of the Facility B Loans and the Facility A Loans, (ii) the aggregate amount of Capitalized Lease Obligations and Indebtedness for Money Borrowed or such Persons, and (iii) the aggregate amount of all Guaranties by such Persons of Indebtedness for Money Borrowed.

"Senior Leverage Ratio" shall mean, as of any date, the ratio of (a) the -----
Senior Debt on such date to (b) Annualized Operating Cash Flow.

"Separation Obligations" shall mean the obligations of the Parent to -----
reimburse CBS Corporation for certain tax and other obligations relating to the separation of the Parent from American Radio Systems as set forth on Schedule 3 -----
attached hereto.

"Stock Pledge Agreement " shall mean that certain Stock Pledge Agreement of -----
ATS (Delaware) dated as of even date herewith between ATS (Delaware) and the Collateral Agent, substantially in the form of Exhibit J attached hereto, -----
pursuant to which ATS (Delaware) has pledged to the Collateral Agent for the ratable benefit of the Banks all of ATS (Delaware) stock ownership in each of its directly owned Restricted Subsidiaries.

"Subordination Agreement" shall mean, collectively, (a) that certain -----
Subordination Agreement dated as of even date herewith among ATSC Operating, ATSC LP and the

Administrative Agent, and (b) that certain Subordination Agreement dated as of even date herewith among ATSC Holding, ATSC GP and the Administrative Agent.

"Subsidiary" shall mean, as applied to any Person, (a) any corporation of

which more than fifty percent (50%) of the outstanding stock (other than directors' qualifying shares) having ordinary voting power to elect a majority of its board of directors, regardless of the existence at the time of a right of the holders of any class or classes of securities of such corporation to exercise such voting power by reason of the happening of any contingency, or any partnership of which more than fifty percent (50%) of the outstanding partnership interests, is at the time owned directly or indirectly by such Person, or by one or more Subsidiaries of such Person, or by such Person and one or more Subsidiaries of such Person, or (b) any other entity which is directly or indirectly controlled or capable of being controlled by such Person, or by one or more Subsidiaries of such Person, or by such Person and one or more Subsidiaries of such Person.

"Subsidiary Guaranty" shall mean that certain Subsidiary Guaranty, dated as

of even date herewith, in favor of the Collateral Agent and the Banks, given by each Restricted Subsidiary on the Agreement Date, substantially in the form of Exhibit K attached hereto, and shall include any similar agreements executed

pursuant to Section 5.13 hereof.

"Subsidiary Pledge Agreement" shall mean that certain Subsidiary Pledge

Agreement dated as of even date herewith made by each Restricted Subsidiary having one or more of its own Restricted Subsidiaries, on the one hand, in favor of the Collateral Agent, on the other hand, substantially in the form of Exhibit

L attached hereto, and shall include any similar agreements executed pursuant to

Section 5.13 hereof.

"Subsidiary Security Agreement" shall mean that certain Subsidiary Security

Agreement dated as of even date herewith between each Restricted Subsidiary, on the one hand, and the Collateral Agent, (on behalf of itself, the Administrative Agent and the Banks), on the other hand, substantially in the form of Exhibit M

attached hereto, and shall include any similar agreements executed pursuant to Section 5.13 hereof.

"Term Conversion Date" shall have the meaning ascribed thereto in Section

2.14 hereof.

"Term Conversion Notice" shall mean a certificate designated "Term

Conversion Notice" signed by an Authorized Signatory of the Borrower requesting that the Facility B Commitment and Facility B Loans be extended and converted to a term loan commitment and term Facility B Loans, respectively, which shall be in substantially the form of Exhibit N attached hereto.

"Termination Date" shall mean June 15, 1999.

"Total Debt" shall mean, for the Parent, the Borrowers and the Restricted

Subsidiaries on a consolidated basis as of any date, the sum (without duplication) of (i) the outstanding principal amount of the Facility B Loans, the Facility A Loans and the loans outstanding under the Parent Loan Agreement, (ii) the aggregate amount of Capitalized Lease Obligations and Indebtedness for Money Borrowed of such Persons, and (iii) the aggregate amount of all Guaranties by such Persons of Indebtedness for Money Borrowed.

"Tower Operation Business" shall mean the ownership, leasing and tower

management businesses of the Borrowers and their Restricted Subsidiaries.

"Unreinvested Net Proceeds" shall mean the aggregate Net Proceeds not (i)

used or committed to be used to acquire fixed or capital assets permitted by Section 7.6 hereof within the period specified in Section 2.7(b)(iii) hereof or (ii) used to repay Facility B Loans pursuant to the provisions of Section 2.7(b)(iii).

"Unrestricted Subsidiary" shall mean any Subsidiary of either Borrower or

any joint venture (which may represent a minority interest) between either Borrower and/or any of their Subsidiaries and any other Person, in each case, which either Borrower has heretofore designated or hereafter designates as an Unrestricted Subsidiary by written notice to the Administrative Agent and the Banks prior to the formation or acquisition of such Subsidiary or joint venture. Notwithstanding the foregoing, no Restricted Subsidiary may be re-designated as an Unrestricted Subsidiary without the prior consent of the Majority Banks. The Unrestricted Subsidiaries as of the Agreement Date are as set forth Schedule 4

attached hereto. All Subsidiaries of any Unrestricted Subsidiary, now or hereafter existing, shall be Unrestricted Subsidiaries.

"Unrestricted Subsidiary Distributions" shall mean the amount of cash

distributions received during such period by either Borrower or any of its Restricted Subsidiaries from any Unrestricted Subsidiary (other than in connection with the repayment of intercompany Indebtedness).

"U.S. Person" shall mean a citizen or resident of the United States of

America, a corporation, partnership or other entity created or organized in or under any laws of the United States of America, or any estate or trust that is subject to Federal income taxation regardless of the source of its income.

Each definition of an agreement in this Article 1 shall include such agreement as modified, amended or supplemented from time to time in accordance herewith.

ARTICLE 2 Facility B Loans

Section 2.1 The Facility B Loans The Banks agree, severally, in

accordance with their respective Facility B Commitment Ratios, and not jointly, upon the terms and subject to the conditions of this Agreement, to lend and relend to the Borrowers from time to time during the period from (and including) the Agreement Date through the Termination Date, amounts which do not exceed, in the aggregate, at any one time outstanding the amount of the Facility B Commitment as in effect from time to time. Subject to the terms and conditions hereof, Advances under the Facility B Commitment may be repaid and reborrowed from time to time on a revolving basis. Notwithstanding the foregoing, subsequent to the Termination Date, if the extension provided for under Section 2.14 hereof has been granted, the Facility B Loans that are outstanding hereunder may be repaid and reborrowed only as provided in Sections 2.2(b)(ii) and 2.2(c)(ii) hereof, and no Advances will thereafter be made under the Facility B Commitment which result in an increase to the principal amount of the Facility B Loans outstanding.

The Borrowers hereby agree that all amounts advanced under the Facility B Commitment shall be joint and several obligations of the Borrowers.

Section 2.2 Manner of Borrowing and Disbursement.

(a) Choice of Interest Rate, Etc. Any Advance hereunder shall, at

the option of the requesting Borrower, be made as a Base Rate Advance or a LIBOR Advance; provided, however, that at such time as there shall have occurred and

be continuing a Default hereunder, neither Borrower shall have the right to receive a LIBOR Advance. Any notice given to the Administrative Agent in connection with a requested Advance hereunder shall be given to the Administrative Agent prior to 11:00 a.m. (New York, New York time) in order for such Business Day to count toward the minimum number of Business Days required.

(b) Base Rate Advances.

(i) Advances. A Borrower shall give the Administrative Agent

in the case of Base Rate Advances at least one (1) Business Day's irrevocable prior telephonic notice followed immediately by a Request for Advance; provided, however, that such Borrower's failure to confirm any

telephonic notice with a Request for Advance shall not invalidate any notice so given if acted upon by the Administrative Agent. Upon receipt of such notice from a Borrower, the Administrative Agent shall promptly notify each Bank by telephone or telecopy of the contents thereof.

(ii) Repayments and Reborrowings. Either Borrower may repay or

prepay a Base Rate Advance without regard to its Payment Date and (A) upon at least one (1) Business Day's irrevocable prior telephonic notice followed by written notice,

reborrow all or a portion of the principal amount thereof as a Base Rate Advance, (B) upon at least three (3) Business Days' irrevocable prior telephonic notice followed by written notice, reborrow all or a portion of the principal thereof as one or more LIBOR Advances, or (C) not reborrow all or any portion of such Base Rate Advance. On the date indicated by the applicable Borrower, such Base Rate Advance shall be so repaid and, as applicable, reborrowed. The failure to give timely notice hereunder with respect to the Payment Date of any Base Rate Advance shall be considered a request for a Base Rate Advance.

(c) LIBOR Advances.

(i) Advances. Upon request, the Administrative Agent, whose

determination in absence of manifest error shall be conclusive, shall determine the available LIBOR Bases and shall notify the requesting Borrower of such LIBOR Bases to apply for the applicable LIBOR Advance. The requesting Borrower shall give the Administrative Agent in the case of LIBOR Advances at least three (3) Business Days' irrevocable prior telephonic notice followed immediately by a Request for Advance; provided,

however, that such Borrower's failure to confirm any telephonic notice with

a Request for Advance shall not invalidate any notice so given if acted upon by the Administrative Agent. Upon receipt of such notice from a Borrower, the Administrative Agent shall promptly notify each Bank by telephone or telecopy of the contents thereof.

(ii) Repayments and Reborrowings. At least three (3) Business

Days prior to the Payment Date for each LIBOR Advance, the applicable Borrower shall give the Administrative Agent telephonic notice followed by written notice specifying whether all or a portion of such LIBOR Advance (A) is to be repaid and then reborrowed in whole or in part as one or more LIBOR Advances, (B) is to be repaid and then reborrowed in whole or in part as a Base Rate Advance, or (C) is to be repaid and not reborrowed. The failure to give such notice shall preclude the Borrowers from reborrowing such Advance as a LIBOR Advance on its Payment Date and shall be considered a request for a Base Rate Advance. Upon such Payment Date such LIBOR Advance will, subject to the provisions hereof, be so repaid and, as applicable, reborrowed.

(d) Notification of Banks. Upon receipt of a Request for Advance,

or a notice from a Borrower with respect to any outstanding Advance prior to the Payment Date for such Advance, the Administrative Agent shall promptly but no later than the close of business on the day of such notice notify each Bank by telephone or telecopy of the contents thereof and the amount of such Bank's portion of the Advance. Each Bank shall, not later than 12:00 noon (New York, New York time) on the date of borrowing specified in such notice, make available to the Administrative Agent at the Administrative Agent's Office, or at

such account as the Administrative Agent shall designate, the amount of its portion of any Advance that represents an additional borrowing hereunder in immediately available funds.

(e) Disbursement.

(i) Prior to 2:00 p.m. (New York, New York time) on the date of an Advance hereunder, the Administrative Agent shall, subject to the satisfaction of the conditions set forth in Article 3 hereof, disburse the amounts made available to the Administrative Agent by the Banks in like funds by (A) transferring the amounts so made available by wire transfer pursuant to the requesting Borrower's instructions, or (B) in the absence of such instructions, crediting the amounts so made available to the account of the requesting Borrower maintained with the Administrative Agent.

(ii) Unless the Administrative Agent shall have received notice from a Bank prior to 12:00 noon (New York, New York time) on the date of any Advance that such Bank will not make available to the Administrative Agent such Bank's ratable portion of such Advance, the Administrative Agent may assume that such Bank has made or will make such portion available to the Administrative Agent on the date of such Advance and the Administrative Agent may in its sole discretion and in reliance upon such assumption, make available to the requesting Borrower on such date a corresponding amount. If and to the extent the Bank does not make such ratable portion available to the Administrative Agent, such Bank agrees to repay to the Administrative Agent on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to the requesting Borrower until the date such amount is repaid to the Administrative Agent, at the Federal Funds Rate.

(iii) If such Bank shall repay to the Administrative Agent such corresponding amount, such amount so repaid shall constitute such Bank's portion of the applicable Advance for purposes of this Agreement. If such Bank does not repay such corresponding amount immediately upon the Administrative Agent's demand therefor, the Administrative Agent shall notify the Borrowers, and the Borrowers shall immediately pay such corresponding amount to the Administrative Agent, with interest at the Federal Funds Rate. The failure of any Bank to fund its portion of any Advance shall not relieve any other Bank of its obligation, if any, hereunder to fund its respective portion of the Advance on the date of such borrowing, but no Bank shall be responsible for any such failure of any other Bank.

(iv) In the event that, at any time when there is no Default and each of the conditions in Section 3.2 hereof has been satisfied, a Bank for any reason fails or refuses to fund its portion of an Advance and such failure shall continue for a period in excess of thirty (30) days, then, until such time as such Bank has funded its portion of such Advance (which late funding shall not absolve such Bank from any

liability it may have to the Borrowers), or all other Banks have received payment in full from the Borrowers (whether by repayment or prepayment) or otherwise of the principal and interest due in respect of such Advance, such non-funding Bank shall not have the right (A) to vote regarding any issue on which voting is required or advisable under this Agreement or any other Loan Document, and such Bank's portion of the Facility B Loans shall not be counted as outstanding for purposes of determining "Majority Banks" hereunder, and (B) to receive payments of principal, interest or fees from the Borrowers, the Administrative Agent or the other Banks in respect of its portion of the Facility B Loans until all Facility B Loans of the other Banks have been fully paid.

Section 2.3 Interest.

(a) On Base Rate Advances. Interest on each Base Rate Advance shall

be computed on the basis of a year of 365/366 days for the actual number of days elapsed and shall be payable at the Base Rate Basis for such Advance, in arrears on the applicable Payment Date. Interest on Base Rate Advances then outstanding shall also be due and payable on the Termination Date, or if applicable, the Maturity Date.

(b) On LIBOR Advances. Interest on each LIBOR Advance shall be

computed on the basis of a 360-day year for the actual number of days elapsed and shall be payable at the LIBOR Basis for such Advance, in arrears on the applicable Payment Date, and, in addition, if the Interest Period for a LIBOR Advance exceeds three (3) months, interest on such LIBOR Advance shall also be due and payable in arrears on every three-month anniversary of the beginning of such Interest Period. Interest on LIBOR Advances then outstanding shall also be due and payable on the Termination Date, or if applicable, the Maturity Date.

(c) Interest if no Notice of Selection of Interest Rate Basis. If a

Borrower fails to give the Administrative Agent timely notice of its selection of a LIBOR Basis, or if for any reason a determination of a LIBOR Basis for any Advance is not timely concluded, the Base Rate Basis shall apply to such Advance.

(d) Interest Upon Default. Immediately upon the occurrence of an

Event of Default hereunder, the outstanding principal balance of the Facility B Loans shall bear interest at the Default Rate. Such interest shall be payable on demand by the Majority Banks and shall accrue until the earlier of (i) waiver or cure of the applicable Event of Default, (ii) agreement by the Majority Banks (or, if applicable to the underlying Event of Default, the Banks) to rescind the charging of interest at the Default Rate, or (iii) payment in full of the Obligations.

(e) LIBOR Contracts. At no time may the number of outstanding LIBOR

Advances hereunder and under the ATS Facility A Loan Agreement exceed twelve (12).

(f) Applicable Margin. With respect to any Advance, the Applicable

Margin shall be as set forth in a certificate of the chief financial officer of the Borrowers delivered to the Administrative Agent based upon the Applicable Margin Ratio for the most recent fiscal quarter end for which financial statements are furnished by the Borrowers to the Administrative Agent and each Bank for the fiscal quarter most recently ended as follows:

	Applicable Margin Ratio -----	Base Rate Advance Applicable Margin -----	LIBOR Advance Applicable Margin -----
A.	Greater than or equal to 6.00:1	1.250%	2.250%
B.	Greater than or equal to 5.50:1, but less than 6.00: 1	1.000%	2.000%
C.	Greater than or equal to 5.00:1, but less than 5.50:1	0.750%	1.750%
D.	Greater than or equal to 4.50:1, but less than 5.00:1	0.500%	1.500%
E.	Greater than or equal to 4.00:1, but less than 4.50:1	0.250%	1.250%
F.	Greater than or equal to 3.50: 1, but less than 4.00:1	0.000%	1.000%
G.	Less than 3.50:1	0.000%	0.750%

Notwithstanding the foregoing, for the period from the Agreement Date through and including December 31, 1998, the Base Rate Advance Applicable Margin shall not be less than one percent (1.000%) and the LIBOR Advance Applicable Margin shall not be less than 2.000%. Changes to the Applicable Margin shall be effective (i) with respect to an increase in the Applicable Margin, as of the second (2nd) Business Day after the day on which the financial statements are required to be delivered to the Administrative Agent and the Banks pursuant to Section 6.1 or 6.2 hereof, as the case may be; provided, however, that if such

financial statements are not delivered to the Administrative Agent and the Banks on or before the date specified in such Section, such increase shall be effective as of the date specified in such Section for delivery of the financial statements, and (ii) with respect to a decrease in the Applicable Margin, as of the later of (A) the second (2nd) Business Day after the day on which such financial statements are required to be delivered pursuant to Section 6.1 or 6.2 hereof, as the case may be, and (B) the date on which such financial statements are actually delivered to the Administrative Agent and the Banks. Subject to the second sentence of this Section 2.3(f), the Applicable Margin on the Agreement Date shall be based on the financial statements for the Borrowers with respect to March 31, 1998 and the Senior Debt as of the Agreement Date.

Upon the occurrence and during the continuance of an Event of Default, the Applicable Margins shall not be subject to downward adjustment and shall automatically revert to the Applicable Margins set forth in part A of the above table until such time as such Event of Default is cured or waived.

Section 2.4 Commitment Fees. Commencing on the Agreement Date and of

at all times thereafter, the Borrowers agree to pay, on a joint and several basis, to the Administrative Agent for the account of each of the Banks in accordance with such Bank's respective Facility B Commitment Ratio, a commitment fee on the aggregate unborrowed balance of the Facility B Commitment for each day from the Agreement Date until the Termination Date, or, if applicable, the Maturity Date, at a rate of (i) one-eighth of one percent (0.125%) per annum. Such commitment fee shall be computed on the basis of a year of 365/366 days for the actual number of days elapsed, shall be payable quarterly in arrears on the last Business Day of each calendar quarter, and shall be fully earned when due and non-refundable when paid. A final payment of any commitment fee then payable shall also be due and payable on the Termination Date, or, if applicable, the Maturity Date.

Section 2.5 Mandatory Commitment Reductions

(a) Reduction From Facility B Excess Cash Flow. The Facility

B Commitment shall be automatically and permanently reduced by an amount equal to the repayment of Facility B Loans required under Section 2.7(b)(iv) hereof.

(b) Reduction From Permitted Asset Sales. The Facility B

Commitment shall be automatically and permanently reduced by an amount equal to the repayment of Facility B Loans required under Section 2.7(b)(iii) hereof.

(c) Reduction From Sale of Capital Stock and Debt Instruments.

The Facility B Commitment shall be automatically and permanently reduced by an amount equal to the repayment of Facility B Loans required under Section 2.7(b)(v) hereof.

Section 2.6 Voluntary Facility B Commitment Reductions. The Borrowers

shall have the right, at any time and from time to time after the Agreement Date and prior to the Termination Date, upon at least three (3) Business Days' prior written notice to the Administrative Agent, without premium or penalty, to cancel or reduce permanently all or a portion of the Facility B Commitment on the basis of the respective Facility B Commitment Ratios of the Banks; provided,

however, that any such partial reduction shall be made in an amount not less

than \$5,000,000 and in an integral multiple of \$1,000,000. As of the date of cancellation or reduction set forth in such notice, the Facility B Commitment shall be permanently reduced to the amount stated in such notice for all purposes herein, and the Borrowers shall, on a joint and several basis, pay to the Administrative Agent for the Banks the amount necessary to reduce the principal amount of the Facility B Loans then outstanding under the Facility B Commitment to not more than the amount of the Facility B Commitment

as so reduced, together with accrued interest on the amount so prepaid and commitment fees accrued through the date of the reduction with respect to the amount reduced.

Section 2.7 Prepayments and Repayments.

(a) Prepayment. The principal amount of any Base Rate Advance

may be prepaid in full or ratably in part at any time, without premium or penalty and without regard to the Payment Date for such Advance. LIBOR Advances may be prepaid prior to the applicable Payment Date, upon two (2) Business Days' prior written notice, or telephonic notice followed immediately by written notice, to the Administrative Agent; provided, however, that the Borrowers

shall, jointly and severally, reimburse the Banks and the Administrative Agent, on the earlier of demand by the applicable Bank or the Termination Date, or, if applicable, the Maturity Date, for any loss or out-of-pocket expense incurred by any Bank or the Administrative Agent in connection with such prepayment, as set forth in Section 2.10 hereof; provided further, however, that either Borrower's

failure to confirm any telephonic notice with a written notice shall not invalidate any notice so given if acted upon by the Administrative Agent. Any prepayment hereunder shall be in amounts of not less than \$1,000,000 and in an integral multiple thereof. Amounts prepaid pursuant to this Section 2.7(a) may be reborrowed, subject to the terms and conditions hereof. Amounts prepaid shall be paid together with accrued interest on the amount so prepaid and commitment fees accrued through the date of the reduction with respect to the amount reduced.

(b) Repayments. The Borrowers shall repay the Facility B

Loans, on a joint and several basis, as follows:

(i) Scheduled Repayments of the Facility B Loans. If the

Facility B Loans have been converted to term loans pursuant to Section 2.14 hereof, then commencing June 30, 2001, the principal balance of the Facility B Loans outstanding on June 29, 2001 shall be repaid in consecutive quarterly installments on June 30th, September 30th, December 31st and March 31st of each year until paid in full in such amounts as follows:

Percentage of Principal
of Facility B Loans Outstanding
on June 29, 2001 Due on
Last Day of Each Quarter

Repayment Dates -----	
June 30, 2001, September 30, 2001 and December 31, 2001	2.500%
March 31, 2002, June 30, 2002, September 30, 2002 and December 31, 2002	3.125%
March 31, 2003, June 30, 2003, September 30, 2003 and December 31, 2003	3.750%
March 31, 2004, June 30, 2004, September 30, 2004 and December 31, 2004	5.000%
March 31, 2005, June 30, 2005, September 30, 2005 and December 31, 2005	5.625%
March 31, 2006, June 30, 2006	11.250%

(ii) Facility B Loans in Excess of Facility B Commitment. If, at

any time, the amount of the Facility B Loans shall exceed the Facility B Commitment, the Borrowers shall, on such date and subject to Section 2.10 hereof, make a repayment of the principal amount of the Facility B Loans in an amount equal to such excess, together with any accrued interest and fees with respect thereto.

(iii) Permitted Asset Sales. At any time after the aggregate

Unreinvested Net Proceeds from all assets sales during the term of this Agreement exceeds \$5,000,000, on the Business Day following the date of receipt by either Borrower or any Restricted Subsidiary of the Net Proceeds of any asset sale, the Facility B Loans shall be repaid in an amount equal to, in the aggregate, any Facility B Net Proceeds; provided, however, that

either Borrower may notify the Administrative Agent in writing that it intends to use any or all of such Facility B Net Proceeds to acquire fixed or capital assets permitted by Section 7.6 hereof or for the construction of new towers within twelve (12) months of the date of receipt of such Facility B Net Proceeds, in which case, the reduction in the Facility B Loans which is otherwise required under this Section 2.7(b)(iii) up to the amount of the Facility B Net Proceeds intended to be used need not be made, but if all or part of such Facility B Net Proceeds are not used or irrevocably committed to be used within such twelve (12) month period, the Facility B Loans shall be permanently reduced by an amount equal to the portion of such Facility B Net Proceeds not so used or committed to be used on the earlier of (i) the first day following the end of such twelve (12)

month period, the Facility B Loans shall be permanently reduced by an amount equal to the portion of such Facility B Net Proceeds not so used or committed to be used on the earlier of (i) the first day following the end of such twelve (12) month period and (ii) the date on which the Borrowers have reasonably determined that such portion of the Facility B Net Proceeds shall not be so used or committed to be used. Accrued interest on the principal amount of the Facility B Loans being prepaid pursuant to this Section 2.7(b)(iii) to the date of such prepayment will be paid by the Borrowers concurrently with such principal prepayment.

(iv) Facility B Excess Cash Flow. If the Facility B Loans have been

converted to term loans pursuant to Section 2.14 hereof, then on or prior to April 15, 2002 and on or prior to each April 15th thereafter during the term of this Agreement, the Facility B Loans shall be repaid in an amount equal to, in the aggregate, the Facility B Excess Cash Flow for the fiscal year ended on the immediately preceding December 31st. Accrued interest on the principal amount of the Facility B Loans being prepaid pursuant to this Section 2.7(b)(iv) to the date of such prepayment will be paid by the Borrowers concurrently with such principal prepayment.

(v) Sale of Capital Stock and Debt Instruments. On the Business

Day following the date of receipt by the Parent, either Borrower or any Restricted Subsidiary of any Facility B Capital Raise Proceeds, the Facility B Loan shall be repaid in an amount equal to, in the aggregate, the Facility B Capital Raise Proceeds. Accrued interest on the principal amount of the Facility B Loans being prepaid pursuant to this Section 2.7(b)(v) to the date of such prepayment will be paid by the Borrowers concurrently with such principal prepayment.

(vi) Termination Date or Maturity Date. In addition to the

foregoing, a final payment of all Obligations then outstanding shall be due and payable on the Termination Date, or, if applicable, the Maturity Date.

Section 2.8 Facility B Notes; Loan Accounts.

(a) The Facility B Loans shall be repayable in accordance with the terms and provisions set forth herein and shall be evidenced by the Facility B Notes. One (1) Facility B Note shall be payable to the order of each Bank, in accordance with such Bank's respective Commitment Ratio. The Facility B Notes shall be issued on a joint and several basis by the Borrowers to the Banks and shall be duly executed and delivered by one or more Authorized Signatories. Any Bank (i) which is not a U.S. Person (a "Non-U.S. Bank") and (ii) which could become

completely exempt from withholding of United States Federal income taxes in respect of payment of any obligations due to such Bank hereunder relating to any of its Facility B Loans if such Facility B Loans were in registered form for United States Federal income tax purposes may request the Borrowers (through the Administrative Agent), and the Borrowers agree thereupon, to register such Facility B Loans as provided in Section 11.5(g)

hereof and to issue to such Bank Facility B Notes evidencing such Facility B Loans as Registered Notes or to exchange Facility B Notes evidencing such Facility B Loans for new Registered Notes, as applicable. Registered Notes may not be exchanged for Facility B Notes that are not in registered form.

(b) Each Bank may open and maintain on its books in the name of the Borrowers a loan account with respect to its portion of the Facility B Loans and interest thereon. Each Bank which opens such a loan account shall debit such loan account for the principal amount of its portion of each Advance made by it and accrued interest thereon, and shall credit such loan account for each payment on account of principal of or interest on its Facility B Loans. The records of a Bank with respect to the loan account maintained by it shall be prima facie evidence of its portion of the Facility B Loans and accrued interest thereon absent manifest error, but the failure of any Bank to make any such notations or any error or mistake in such notations shall not affect the Borrowers' repayment obligations with respect to such Facility B Loans.

Section 2.9 Manner of Payment.

(a) Each payment (including, without limitation, any prepayment) by the Borrowers on account of the principal of or interest on the Facility B Loans, commitment fees and any other amount owed to the Banks or the Administrative Agent or any of them under this Agreement or the Facility B Notes shall be made not later than 1:00 p.m. (New York, New York time) on the date specified for payment under this Agreement to the Administrative Agent at the Administrative Agent's Office, for the account of the Banks or the Administrative Agent, as the case may be, in lawful money of the United States of America in immediately available funds. Any payment received by the Administrative Agent after 1:00 p.m. (New York, New York time) shall be deemed received on the next Business Day. Receipt by the Administrative Agent of any payment intended for any Bank or Banks hereunder prior to 1:00 p.m. (New York, New York time) on any Business Day shall be deemed to constitute receipt by such Bank or Banks on such Business Day. In the case of a payment for the account of a Bank, the Administrative Agent will promptly, but no later than the close of business on the date such payment is deemed received, thereafter distribute the amount so received in like funds to such Bank. If the Administrative Agent shall not have received any payment from the Borrowers as and when due, the Administrative Agent will promptly notify the Banks accordingly. In the event that the Administrative Agent shall fail to make distribution to any Bank as required under this Section 2.9, the Administrative Agent agrees to pay such Bank interest from the date such payment was due until paid at the Federal Funds Rate.

(b) The Borrowers agree to pay, on a joint and several basis, principal, interest, fees and all other amounts due hereunder or under the Facility B Notes without set-off or counterclaim or any deduction whatsoever.

(c) Prior to the acceleration of the Facility B Loans under Section 8.2 hereof, if some but less than all amounts due from the Borrowers are received by the Administrative Agent with respect to the Obligations, the Administrative Agent shall distribute such amounts in the following order of priority, all on a pro rata basis to the Banks: (i) to the payment on a pro rata basis of any fees or expenses then due and payable to the Administrative Agent or the Banks, or any of them; (ii) to the payment of interest then due and payable on the Facility B Loans; (iii) to the payment of all other amounts not otherwise referred to in this Section 2.9(c) then due and payable to the Administrative Agent or the Banks, or any of them, hereunder or under the Facility B Notes or any other Loan Document; and (iv) to the payment of principal then due and payable on the Facility B Loans.

(d) Subject to any contrary provisions in the definition of Interest Period, if any payment under this Agreement or any of the other Loan Documents is specified to be made on a day which is not a Business Day, it shall be made on the next Business Day, and such extension of time shall in such case be included in computing interest and fees, if any, in connection with such payment.

(e) Each Registered Noteholder (or, if such Registered Noteholder is not the beneficial owner thereof, such beneficial owner) shall deliver to the Borrowers (with a copy to the Administrative Agent) prior to or at the time it becomes a Registered Noteholder, a Form 1001, 4224 or W-8 (or such successor and related forms as may from time to time be adopted by the relevant taxing authorities of the United States of America), together with an annual certificate stating that such Registered Noteholder or beneficial owner, as the case may be, is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code and is not otherwise described in Section 881(c)(3) of the Code. Each Registered Noteholder or beneficial owner, as the case may be, shall promptly notify the Borrowers (with a copy to the Administrative Agent) if at any time, such Registered Noteholder or beneficial owner, as the case may be, determines that it is no longer in a position to make the certification made in such certificate to the Borrowers (or any other form of certification adopted by the relevant taxing authorities of the United States of America for such purposes).

Section 2.10 Reimbursement.

(a) Whenever any Bank shall sustain or incur any losses or reasonable out-of-pocket expenses in connection with (i) failure by either Borrower to borrow any LIBOR Advance after having given notice of its intention to borrow in accordance with Section 2.2 hereof (whether by reason of each Borrower's election not to proceed or the non-fulfillment of any of the conditions set forth in Article 3 hereof), or (ii) prepayment (or failure to prepay after giving notice thereof) of any LIBOR Advance in whole or in part for any reason, the Borrowers agree to pay, on a joint and several basis, to such Bank, upon such Bank's demand, an amount sufficient to compensate such Bank for all such losses and out-of-pocket expenses. Such Bank's good faith determination of the amount of such losses or out-of-

pocket expenses, as set forth in writing and accompanied by calculations in reasonable detail demonstrating the basis for its demand, shall be presumptively correct absent manifest error.

(b) Losses subject to reimbursement hereunder shall include, without limiting the generality of the foregoing, lost margins, expenses incurred by any Bank or any participant of such Bank permitted hereunder in connection with the re-employment of funds prepaid, paid, repaid, not borrowed, or not paid, as the case may be, and will be payable whether the Maturity Date is changed by virtue of an amendment hereto (unless such amendment expressly waives such payment) or as a result of acceleration of the Facility B Loans.

Section 2.11 Pro Rata Treatment.

(a) Advances. Each Advance from the Banks hereunder shall be

made pro rata on the basis of the respective Facility B Commitment Ratios of the Banks.

(b) Payments. Each payment and prepayment of principal of the

Facility B Loans, and, except as provided in Section 2.2(e) hereof and Article 10 hereof, each payment of interest on the Facility B Loans, shall be made to the Banks pro rata on the basis of their respective unpaid principal amounts outstanding under the Facility B Notes immediately prior to such payment or prepayment. If any Bank shall obtain any payment (whether involuntary, through the exercise of any right of set-off, or otherwise) on account of the Facility B Loans in excess of its ratable share of the Facility B Loans under its Facility B Commitment Ratio, such Bank shall forthwith purchase from the other Banks such participations in the portion of the Facility B Loans made by them as shall be necessary to cause such purchasing Bank to share the excess payment ratably with each of them; provided, however, that if all or any portion of such excess

payment is thereafter recovered from such purchasing Bank, such purchase from each Bank shall be rescinded and such Bank shall repay to the purchasing Bank the purchase price to the extent of such recovery. The Borrowers agree that any Bank so purchasing a participation from another Bank pursuant to this Section 2.11(b) may, to the fullest extent permitted by law, exercise all its rights of payment (including, without limitation, the right of set-off) with respect to such participation as fully as if such Bank were the direct creditor of the Borrowers in the amount of such participation.

Section 2.12 Capital Adequacy. If after the date hereof, the adoption of

any Applicable Law regarding the capital adequacy of banks or bank holding companies, or any change in Applicable Law (whether adopted before or after the Agreement Date) or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by such Bank (or the bank holding company of such Bank) with any directive regarding capital adequacy (whether or not having the force of law) of any such governmental authority, central bank or comparable agency, has or would have the effect of

reducing the rate of return on any Bank's capital as a consequence of its obligations hereunder with respect to the Facility B Loans and the Facility B Commitment to a level below that which it could have achieved but for such adoption, change or compliance (taking into consideration such Bank's policies with respect to capital adequacy immediately before such adoption, change or compliance and assuming that such Bank's (or the bank holding company of such Bank) capital was fully utilized prior to such adoption, change or compliance) by an amount reasonably deemed by such Bank to be material, then, upon demand by such Bank, the Borrowers shall promptly pay, on a joint and several basis, to such Bank such additional amounts as shall be sufficient to compensate such Bank for such reduced return, together with interest on such amount from the fourth (4th) Business Day after the date of demand or the Termination Date, or, if applicable, the Maturity Date, as applicable, until payment in full thereof at the Default Rate. A certificate of such Bank setting forth the amount to be paid to such Bank by the Borrowers as a result of any event referred to in this paragraph and supporting calculations in reasonable detail shall be presumptively correct absent manifest error.

Section 2.13 Bank Tax Forms. On or prior to the Agreement Date and on or

prior to the first Business Day of each calendar year thereafter, each Bank which is organized in a jurisdiction other than the United States shall provide each of the Administrative Agent and the Borrowers (a), if such Bank is a "bank" under Section 881(c)(3)(A) of the Code, with a properly executed originals of Forms 4224 or 1001 (or any successor form) prescribed by the Internal Revenue Service or other documents satisfactory to the Borrowers and the Administrative Agent, and properly executed Internal Revenue Service Forms W-8 or W-9, as the case may be, certifying (i) as to such Bank's status for purposes of determining exemption from United States withholding taxes with respect to all payments to be made to such Bank hereunder and under the Facility B Notes or (ii) that all payments to be made to such Bank hereunder and under the Facility B Notes are subject to such taxes at a rate reduced to zero by an applicable tax treaty, or (b) if such Bank is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code and intends to claim exemption from U.S. Federal withholding tax under Section 871(h) or 881(c) of the Code with respect to payments of "portfolio interest", a Form W-8, or any subsequent versions thereof or successors thereto (and, if such Bank delivers a Form W-8, a certificate representing that such Bank is not a bank for purposes of Section 881(c) of the Code, is not a ten-percent (10%) shareholder (within the meaning of Section 871(h)(3)(B) of the Code and is not a controlled foreign corporation related to the Borrowers (within the meaning of Section 864(d)(4) of the Code)), properly completed and duly executed by such Bank, indicating that such Bank is entitled to receive payments under this Agreement without deduction or withholding of any United States federal income taxes as permitted by the Code. Each such Bank agrees to provide the Administrative Agent and the Borrowers with new forms prescribed by the Internal Revenue Service upon the expiration or obsolescence of any previously delivered form, or after the occurrence of any event requiring a change in the most recent forms delivered by it to the Administrative Agent and the Borrowers.

Section 2.14 Conversion of Facility B Loans to Term Loans. Borrowers

shall have the option to convert the Facility B Loans outstanding on the Termination Date to a term loan maturing no later than a date corresponding with the then-effective Maturity Date, subject to and on the terms and conditions set forth below:

(a) No sooner than ninety (90) days (and not later than fifteen (15) days preceding the Termination Date, the requesting Borrower shall deliver to the Administrative Agent a Term Conversion Request in substantially the form of Exhibit N ("Term Loan Conversion Notice"), which, among other things, shall

(i) specify such Borrower's election to make such conversion to a term loan, (ii) specify the date on which such conversion shall occur (the "Term Conversion Date"), and (iii) specify whether such Loans shall be Base Rate Loans or LIBOR Loans and the Interest Periods therefor (if applicable) on the Term Conversion Date;

(b) No Default or Event of Default shall exist on either the date such Term Conversion Request is delivered or on the Term Conversion Date; and no Default or Event of Default shall exist after giving effect to such conversion; and

(c) On or prior to the Term Conversion Date, the Borrowers shall have obtained all Necessary Authorizations for such extension of loan maturity effected by the term loan conversion, except to the extent that the failure to so obtain such Necessary Authorizations could not be reasonably likely to result in a Materially Adverse Effect and the Borrowers shall have delivered to the Administrative Agent evidence of such Necessary Authorizations as the Administrative Agent or its counsel may reasonably request.

ARTICLE 3 Conditions Precedent

Section 3.1 Conditions Precedent to Effectiveness of this Agreement.

The effectiveness of this Agreement is subject to the prior or contemporaneous fulfillment of each of the following conditions:

(a) The Administrative Agent and the Banks shall have received each of the following:

(i) this Agreement duly executed;

(ii) the loan certificate of ATS dated as of the Agreement Date, in substantially the form attached hereto as Exhibit O, including a

certificate of incumbency with respect to each Authorized Signatory of such Person, together with the following items: (A) a true, complete and correct copy of the Certificate of Formation and Limited Partnership and Agreement of Limited Partnership of ATS as in effect on the Agreement Date, (B) certificates of good standing for ATS issued by the Secretary of State or similar state official for the state of formation of ATS and for

each state in which ATS is required to qualify to do business and (C) a true, complete and correct copy of the corporate resolutions of the general partner of ATS authorizing ATS to execute, deliver and perform this Agreement and the other Loan Documents;

(iii) the loan certificate of ATS (Delaware) dated as of the Agreement Date, in substantially the form attached hereto as Exhibit P,

including a certificate of incumbency with respect to each Authorized Signatory of such Person, together with the following items: (A) a true, complete and correct copy of the Certificate of Incorporation and By-laws of ATS (Delaware) as in effect on the Agreement Date, (B) certificates of good standing for ATS (Delaware) issued by the Secretary of State or similar state official for the state of incorporation of ATS (Delaware) and for each state in which ATS (Delaware) is required to qualify to do business, (C) a true, complete and correct copy of the corporate resolutions of ATS (Delaware) authorizing ATS (Delaware) to execute, deliver and perform this Agreement and the other Loan Documents, and (D) a true, complete and correct copy of any shareholders' agreements or voting trust agreements in effect with respect to the stock of ATS (Delaware);

(iv) the loan certificate of the Parent dated as of the Agreement Date, in substantially the form attached hereto as Exhibit Q,

including a certificate of incumbency with respect to each Authorized Signatory of such Person, together with the following items: (A) a true, complete and correct copy of the Certificate of Incorporation and By-laws of the Parent as in effect on the Agreement Date, (B) certificates of good standing for the Parent issued by the Secretary of State or similar state official for the state of incorporation of the Parent and for each state in which the Parent is required to qualify to do business, (C) a true, complete and correct copy of the corporate resolutions of the Parent authorizing the Parent to execute, deliver and perform the Loan Documents to which it is a party, and (D) a true, complete and correct copy of any shareholders' agreements or voting trust agreements in effect with respect to the stock of the Parent;

(v) duly executed Facility B Notes;

(vi) duly executed Security Documents;

(vii) copies of insurance binders or certificates covering the assets of the Borrowers and the Restricted Subsidiaries, and otherwise meeting the requirements of Section 5.5 hereof, together with copies of the underlying insurance policies;

(viii) legal opinion of Sullivan & Worcester LLP, counsel to the Borrowers, addressed to each Bank and the Administrative Agent and dated as of the Agreement Date;

(ix) duly executed Certificate of Financial Condition for the Borrowers and the Restricted Subsidiaries on a consolidated and consolidating basis, given by the chief financial officer of ATS (Delaware);

(x) copies of the most recent quarterly financial statements of the Borrowers and the Restricted Subsidiaries provided to each Bank and the Administrative Agent, certified by the chief financial officer of ATS (Delaware);

(xi) duly executed Intercreditor Agreement;

(xii) delivery to the Collateral Agent of all possessory collateral, including, without limitation, any pledged notes or pledged stock; and

(xiii) all such other documents as the Administrative Agent may reasonably request, certified by an appropriate governmental official or an Authorized Signatory if so requested.

(b) The Administrative Agent and the Banks shall have received evidence satisfactory to them that all Necessary Authorizations, other than Necessary Authorizations the absence of which could not reasonably be expected to have, individually or in the aggregate, a Materially Adverse Effect, including all necessary consents to the closing of this Agreement, have been obtained or made, are in full force and effect and are not subject to any pending or, to the knowledge of the Borrowers, threatened reversal or cancellation, and the Administrative Agent and the Banks shall have received a certificate of an Authorized Signatory so stating.

(c) The Borrowers shall certify to the Administrative Agent and the Banks that each of the representations and warranties in Article 4 hereof are true and correct in all material respects as of the Agreement Date, that no Default or Event of Default then exists or is continuing and that no material adverse change has occurred in the financial condition, business operations, prospects or properties of the Borrowers and the Restricted Subsidiaries, on a consolidated basis, since the most recent fiscal year end and fiscal quarter end, it being understood that the Separation Obligations shall not be deemed to be such a material adverse change.

(d) The Borrowers shall have paid to the Administrative Agent for the account of each Bank the facility fees set forth in those letter agreements dated the Agreement Date in favor of each Bank and any and all fees payable by the Borrowers under the Prior Loan Agreement.

(e) The Administrative Agent and the Banks shall have received evidence satisfactory to them that all conditions precedent to the effectiveness of the ATS Facility A

Loan Agreement and the Parent Loan Agreement have been satisfied (other than the provision comparable to this provision) and that the ATS Facility A Loan Agreement and the Parent Loan Agreement have been duly executed.

(f) The Administrative Agent and the Banks shall have received, in form and substance satisfactory to them, evidence that the Parent has received commitments to fund with equity, or has received equity proceeds to pay, one hundred percent (100%) of the tax liabilities that are a part of the Separation Obligations, to the extent such tax liabilities have not been paid.

Section 3.2 Conditions Precedent to Each Advance. The obligation of the

Banks to make each Advance on or after the Agreement Date is subject to the fulfillment of each of the following conditions immediately prior to or contemporaneously with such Advance:

(a) All of the representations and warranties of the Borrowers under this Agreement and the other Loan Documents (including, without limitation, all representations and warranties with respect to the Restricted Subsidiaries), which, pursuant to Section 4.2 hereof, are made at and as of the time of such Advance, shall be true and correct at such time in all material respects, both before and after giving effect to the application of the proceeds of such Advance, and after giving effect to any updates to information provided to the Banks in accordance with the terms of such representations and warranties, and no Default hereunder shall then exist or be caused thereby;

(b) With respect to Advances which, if funded, would increase the aggregate principal amount of Facility B Loans outstanding hereunder, the Administrative Agent shall have received a duly executed Request for Advance;

(c) The Administrative Agent and the Banks shall have received all such other certificates, reports, statements, opinions of counsel (if such Advance is in connection with an Acquisition) or other documents as the Administrative Agent or any Bank may reasonably request; and

(d) With respect to any Advance relating to any Acquisition or the formation of any Restricted Subsidiary which is permitted hereunder, the Administrative Agent and the Banks shall have received such documents and instruments relating to such Acquisition or formation of a new Restricted Subsidiary as are described in Section 5.13 hereof or otherwise required herein.

ARTICLE 4 Representations and Warranties

Section 4.1 Representations and Warranties. The Borrowers hereby agree,

represent and warrant, upon the Agreement Date and on the date of each Advance,
in favor of the Administrative Agent and each Bank that:

(a) Organization; Ownership; Power; Qualification. ATS is a limited

partnership duly organized, validly existing and in good standing under the laws
of the State of Delaware, and ATS (Delaware) is a corporation duly organized,
validly existing and in good standing under the laws of the State of Delaware.
Each Borrower has the power and authority to own its properties and to carry on
its business as now being and as proposed hereafter to be conducted. Except as
set forth on Schedule 5 attached hereto, each Restricted Subsidiary is a

corporation duly organized, validly existing and in good standing under the laws
of the state of its incorporation and has the corporate power and authority to
own its properties and to carry on its business as now being and as proposed
hereafter to be conducted. The Borrowers and the Restricted Subsidiaries are
duly qualified, in good standing and authorized to do business in each
jurisdiction in which the character of their respective properties or the nature
of their respective businesses requires such qualification or authorization,
except where failure to be so qualified, in the aggregate, could not reasonably
be expected to have a Materially Adverse Effect.

(b) Authorization; Enforceability. ATS has the partnership power and

ATS (Delaware) has the corporate power and each has taken all necessary action
to authorize it to borrow hereunder, to execute, deliver and perform this
Agreement and each of the other Loan Documents to which it is a party in
accordance with their respective terms, and to consummate the transactions
contemplated hereby and thereby. This Agreement has been duly executed and
delivered by the Borrowers and is, and each of the other Loan Documents to which
the Borrowers are parties is, a legal, valid and binding obligation of each
Borrower and enforceable against each Borrower in accordance with its terms,
subject, as to enforcement of remedies, to applicable bankruptcy, insolvency,
fraudulent conveyance, reorganization, moratorium and similar laws affecting
creditors' rights and remedies generally, and subject, as to enforceability, to
general principles of equity.

(c) Subsidiaries: Authorization; Enforceability. The Restricted

Subsidiaries and the direct and indirect ownership thereof by ATS and ATS
(Delaware) as of the Agreement Date are as set forth on Schedule 2 attached

hereto, and, to the extent such Restricted Subsidiaries are corporations, ATS
and ATS (Delaware), as the case may be, have, subject to the provisions of the
Security Documents, the unrestricted right to vote the issued and outstanding
shares of each directly owned Restricted Subsidiary shown thereon and such
shares of such Restricted Subsidiaries have been duly authorized and issued and
are fully paid and nonassessable. Each Restricted Subsidiary that is a
corporation has the corporate power and has taken all necessary corporate action
to authorize it to execute, deliver and

perform each of the Loan Documents to which it is a party in accordance with their respective terms and to consummate the transactions contemplated by this Agreement and by such Loan Documents. Each of the Loan Documents to which any Restricted Subsidiary is party is a legal, valid and binding obligation of such Restricted Subsidiary enforceable against such Restricted Subsidiary in accordance with its terms, subject, as to enforcement of remedies, to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity. The ownership interest in each of the Restricted Subsidiaries represents a direct or indirect controlling interest by ATS or ATS (Delaware) of such Restricted Subsidiary for purposes of directing or causing the direction of the management and policies of each Restricted Subsidiary.

(d) Compliance with Other Loan Documents and Contemplated

Transactions. The execution, delivery and performance, in accordance with their

respective terms, by the Borrowers of this Agreement and the Facility B Notes, and by the Borrowers and the Restricted Subsidiaries of each of the other Loan Documents to which they are respectively party, and the consummation of the transactions contemplated hereby and thereby, do not and will not (i) require any consent or approval, governmental or otherwise, not already obtained, (ii) violate any Applicable Law respecting either Borrower or any Restricted Subsidiary, (iii) conflict with, result in a breach of, or constitute a default under the certificate or articles of incorporation or by-laws or partnership agreements, as the case may be, as amended, of either Borrower or of any Restricted Subsidiary, or under any material indenture, agreement, or other instrument, including without limitation the Licenses, to which either Borrower or any Restricted Subsidiary is a party or by which any of them or their respective properties may be bound, or (iv) result in or require the creation or imposition of any Lien upon or with respect to any property now owned or hereafter acquired by either Borrower or any Restricted Subsidiary, except for Permitted Liens.

(e) Business. The Borrowers, together with their Subsidiaries, are

engaged in the business of owning, constructing, managing, operating, and investing in communications tower facilities and in the video, voice and data transmission business.

(f) Licenses, etc. The Licenses have been duly issued and are in full

force and effect. The Borrowers and the Restricted Subsidiaries are in compliance in all material respects with all of the provisions thereof. The Borrowers and the Restricted Subsidiaries have secured all Necessary Authorizations, except for such Necessary Authorizations the failure of which to secure would not reasonably be expected to have, individually or in the aggregate, a Materially Adverse Effect, and all such Necessary Authorizations are in full force and effect. Neither any License nor any Necessary Authorization is the subject of any pending or, to the best of either Borrower's knowledge, threatened revocation which, if determined adversely to either Borrower or any Restricted Subsidiary would not reasonably be expected to have, individually or in the aggregate, a Materially Adverse Effect.

(g) Compliance with Law. The Borrowers and the Restricted

Subsidiaries are in compliance with all Applicable Law, except where the failure to be in compliance would not individually or in the aggregate have a Materially Adverse Effect.

(h) Title to Assets. As of the Agreement Date, the Borrowers and the

Restricted Subsidiaries have good, legal and marketable title to, or a valid leasehold interest in, all of their respective assets, except for such exceptions as would not reasonably be expected to have, individually or in the aggregate, a Materially Adverse Effect. None of the properties or assets of either Borrower or any of the Restricted Subsidiaries is subject to any Liens, except for Permitted Liens and Liens under the Prior Loan Agreement and related documents. Except for financing statements evidencing Permitted Liens, no financing statement under the Uniform Commercial Code as in effect in any jurisdiction and no other filing which names either Borrower or any Restricted Subsidiary as debtor or which covers or purports to cover any of the assets of either Borrower or any Restricted Subsidiary is currently effective and on file in any state or other jurisdiction, other than such financing statements, if any, as to which the obligations secured thereby have been repaid in their entirety, and neither Borrower nor any Restricted Subsidiary has signed any such financing statement or filing or any security agreement authorizing any secured party thereunder to file any such financing statement or filing other than the Prior Loan Agreement and related documents.

(i) Litigation. As of the Agreement Date, there is no action, suit,

proceeding or investigation pending against, or, to the knowledge of the Borrowers, threatened against or in any other manner relating adversely to, either Borrower or any Restricted Subsidiary or any of their respective properties, including without limitation the Licenses, in any court or before any arbitrator of any kind or before or by any governmental body (including, without limitation, the FCC) except as set forth on Schedule 6 attached hereto

(as such schedule may be updated from time to time). No such action, suit, proceeding or investigation (i) calls into question the validity of this Agreement or any other Loan Document, or (ii) individually or collectively involves the possibility of any judgment or liability not fully covered by insurance which, if determined adversely to either Borrower or any Restricted Subsidiary, would have a Materially Adverse Effect.

(j) Taxes. All federal, state and other tax returns of the Borrowers

and each Restricted Subsidiary required by law to be filed have been duly filed and all federal, state and other taxes, including, without limitation, withholding taxes, assessments and other governmental charges or levies required to be paid by either Borrower or any Restricted Subsidiary or imposed upon either Borrower or any Restricted Subsidiary or any of their respective properties, income, profits or assets, which are due and payable, have been paid, except any such taxes (i) (x) the payment of which either Borrower or any Restricted Subsidiary is diligently contesting in good faith by appropriate proceedings, (y) for which adequate reserves have been provided on the books of such Person, and (z) as to which no Lien other than a Permitted Lien has attached and no foreclosure, distraint, sale or similar

proceedings have been commenced, or (ii) which may result from audits not yet conducted. The charges, accruals and reserves on the books of each Borrower and each of the Restricted Subsidiaries in respect of taxes are, in the judgment of the Borrowers, adequate.

(k) Financial Statements. The Borrowers have furnished or caused to

be furnished to the Administrative Agent and the Banks as of the Agreement Date, the audited financial statements for the Parent and its Subsidiaries on a consolidated basis for the fiscal year ended December 31, 1997, and unaudited financial statements for the Parent and the Restricted Subsidiaries for the fiscal quarter ended March 31, 1998, all of which have been prepared in accordance with GAAP and present fairly in all material respects the financial position of the Borrowers and the Restricted Subsidiaries on a consolidated basis, on and as at such dates and the results of operations for the periods then ended (subject, in the case of unaudited financial statements, to normal year-end and audit adjustments). Neither Borrower nor any of the Restricted Subsidiaries has any material liabilities, contingent or otherwise, other than as disclosed in the financial statements referred to in the preceding sentence or as set forth or referred to in this Agreement.

(l) No Material Adverse Change. There has occurred no event since

December 31, 1997 which has or which could reasonably be expected to have a Materially Adverse Effect other than the Separation Obligations.

(m) ERISA. Each Borrower and each Restricted Subsidiary and each of

their respective Plans are in compliance with ERISA and the Code, except to the extent that the failure to so comply could not reasonably be expected to have a Materially Adverse Effect, and neither Borrower nor any of their ERISA Affiliates, including their Subsidiaries, has incurred any accumulated funding deficiency with respect to any such Plan within the meaning of ERISA or the Code. The Borrowers, each of their Restricted Subsidiaries, and each other ERISA Affiliate have complied in all material respects with all requirements of ERISA. Neither Borrower nor any of its Restricted Subsidiaries has made any promises of retirement or other benefits to employees, except as set forth in the Plans, in written agreements with such employees, or in such Person's employee handbook and memoranda to employees. Neither Borrower nor any of its ERISA Affiliates, including their Subsidiaries, has incurred any material liability to PBGC in connection with any such Plan. The assets of each such Plan which is subject to Title IV of ERISA are sufficient to provide the benefits under such Plan, the payment of which PBGC would guarantee if such Plan were terminated, and such assets are also sufficient to provide all other "benefit liabilities" (within the meaning of Section 4041 of ERISA) due under the Plan upon termination. No Reportable Event has occurred and is continuing with respect to any such Plan. No such Plan or trust created thereunder, or party in interest (as defined in Section 3(14) of ERISA), or any fiduciary (as defined in Section 3(21) of ERISA), has engaged in a "prohibited transaction" (as such term is defined in Section 406 of ERISA or Section 4975 of the Code) which would subject such Plan or any other Plan of either Borrower or any Restricted Subsidiary, any trust created thereunder, or any such party in interest or fiduciary, or any party dealing with any such Plan

or any such trust, to the tax or penalty on "prohibited transactions" imposed by Section 502 of ERISA or Section 4975 of the Code. Neither Borrower nor any of its ERISA Affiliates, including their Subsidiaries, is or has been obligated to make any payment to a Multiemployer Plan.

(n) Compliance with Regulations T, U and X. Neither Borrower nor any

of the Restricted Subsidiaries is engaged principally or as one of its important activities in the business of extending credit for the purpose of purchasing or carrying, and neither Borrower nor any Restricted Subsidiary owns or presently intends to acquire, any "margin security" or "margin stock" as defined in Regulations T, U, and X (12 C.F.R. Parts 220, 221 and 224) (the "Regulations") of the Board of Governors of the Federal Reserve System (herein called "margin stock"). None of the proceeds of the Facility B Loans will be used, directly or indirectly, for the purpose of purchasing or carrying any margin stock or for the purpose of reducing or retiring any Indebtedness which was originally incurred to purchase or carry margin stock or for any other purpose which might constitute this transaction a "purpose credit" within the meaning of the Regulations. Neither Borrower has taken, caused or authorized to be taken, and will not take any action which might cause this Agreement or the Notes to violate any of the Regulations or any other regulation of the Board of Governors of the Federal Reserve System or to violate the Exchange Act, in each case as now in effect or as the same may hereafter be in effect. If so requested by the Administrative Agent, the Borrowers will furnish the Administrative Agent with (i) a statement or statements in conformity with the requirements of Federal Reserve Form U-I referred to in Regulation U of the Board of Governors of the Federal Reserve System and (ii) other documents evidencing its compliance with the margin regulations, reasonably requested by the Administrative Agent. Neither the making of the Facility B Loans nor the use of proceeds thereof will violate, or be inconsistent with, the provisions of any of the Regulations.

(o) Investment Company Act. Neither Borrower nor any of the

Restricted Subsidiaries is required to register under the provisions of the Investment Company Act of 1940, as amended, and neither the entering into or performance by the Borrowers and the Restricted Subsidiaries of this Agreement and the Loan Documents nor the issuance of the Notes violates any provision of such Act or requires any consent, approval or authorization of, or registration with, the Securities and Exchange Commission or any other governmental or public body or authority pursuant to any provisions of such Act.

(p) Governmental Regulation. Neither Borrower nor any of the

Restricted Subsidiaries is required to obtain any consent, approval, authorization, permit or license which has not already been obtained from, or effect any filing or registration which has not already been effected with, any federal, state or local regulatory authority in connection with the execution and delivery of this Agreement or any other Loan Document. Neither Borrower nor any Restricted Subsidiary is required to obtain any consent, approval, authorization, permit or license which has not already been obtained from, or effect any filing or registration which has not already been effected with, any federal, state or local regulatory

authority in connection with the performance, in accordance with their respective terms, of this Agreement or any other Loan Document, other than filing of appropriate UCC financing statements.

(q) Absence of Default, Etc. The Borrower and the Restricted

Subsidiaries are in compliance in all respects with all of the provisions of their respective partnership agreements, Certificates or Articles of Incorporation and By-Laws, as the case may be, and no event has occurred or failed to occur (including, without limitation, any matter which could create a Default hereunder by cross-default) which has not been remedied or waived, the occurrence or non-occurrence of which constitutes, (i) a Default or (ii) a material default by either Borrower or any Restricted Subsidiary under any indenture, agreement or other instrument relating to Indebtedness of such Person in the amount of \$1,000,000 or more in the aggregate, any material License, or any judgment, decree or order to which either Borrower or any Restricted Subsidiary is a party or by which either Borrower or any Restricted Subsidiary or any of its respective properties may be bound or affected.

(r) Accuracy and Completeness of Information. All information,

reports, prospectuses and other papers and data relating to the Borrowers or any Restricted Subsidiary and furnished by or on behalf of the Borrowers or any Restricted Subsidiary to the Administrative Agent or the Banks, taken as a whole, were, at the time furnished, true, complete and correct in all material respects to the extent necessary to give the Administrative Agent and the Banks true and accurate knowledge of the subject matter, and all projections, consisting of a statement of operating statistics, an income statement summary, a debt repayment schedule and pro forma compliance calculations (the "Projections") (i) disclose all assumptions made with respect to costs, general

economic conditions, and financial and market conditions formulating the Projections; (ii) are based on reasonable estimates and assumptions; and (iii) reflect, as of the date prepared, and continue to reflect, as of the date hereof, the reasonable estimate of the Borrowers of the results of operations and other information projected therein for the periods covered thereby.

(s) Agreements with Affiliates. Except for agreements or arrangements

with Affiliates wherein the Borrowers or one or more of the Restricted Subsidiaries provides services to or receives services from such Affiliates for fair consideration or which are set forth on Schedule 7 attached hereto, neither

Borrower nor any Restricted Subsidiary has (i) any written agreements or binding arrangements of any kind with any Affiliate or (ii) any management or consulting agreements of any kind with any Affiliate, other than (x) those among the Borrowers and the Restricted Subsidiaries and/or the Parent, and (y) employment arrangements with executive officers, including, without limitation, stock option grants of the Parent.

(t) Payment of Wages. Each Borrower and each Restricted Subsidiary is

in compliance with the Fair Labor Standards Act, as amended, in all material respects, and to

the knowledge of the Borrowers and each Restricted Subsidiary, such Persons have paid all minimum and overtime wages required by law to be paid to their respective employees.

(u) Priority. The Security Interest is a valid and, upon filing of

appropriate UCC financing statements and/or mortgages, will be a perfected first priority security interest in the Collateral in favor of the Administrative Agent, for the benefit of itself and the Banks, securing, in accordance with the terms of the Security Documents, the Obligations, and the Collateral is subject to no Liens other than Permitted Liens. The Liens created by the Security Documents are enforceable as security for the Obligations in accordance with their terms with respect to the Collateral subject, as to enforcement of remedies, to the following qualifications: (i) an order of specific performance and an injunction are discretionary remedies and, in particular, may not be available where damages are considered an adequate remedy at law, and (ii) enforcement may be limited by bankruptcy, insolvency, liquidation, reorganization, reconstruction and other similar laws affecting enforcement of creditors' rights generally (insofar as any such law relates to the bankruptcy, insolvency or similar event of either Borrower or any of the Restricted Subsidiaries, as the case may be).

(v) Indebtedness. Except as shown on the financial statements of the

Parent for the fiscal quarter ended March 31, 1998, or as described on Schedule

8 attached hereto, none of the Parent, either Borrower, nor any of the

Restricted Subsidiaries has outstanding, as of the Agreement Date, and after giving effect to the initial Advances hereunder on the Agreement Date, any Indebtedness for Money Borrowed.

(w) Solvency. As of the Agreement Date and after giving effect to the

transactions contemplated by the Loan Documents (i) the property of the Borrowers, at a fair valuation, will exceed their debt; (ii) the capital of the Borrowers will not be unreasonably small to conduct their business; (iii) the Borrowers will not have incurred debts, or have intended to incur debts, beyond their ability to pay such debts as they mature; and (iv) the present fair salable value of the assets of the Borrowers will be greater than the amount that will be required to pay their probable liabilities (including debts) as they become absolute and matured. For purposes of this Section, "debt" means

any liability on a claim, and "claim" means (i) the right to payment, whether or

not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, undisputed, legal, equitable, secured or unsecured, or (ii) the right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, undisputed, secured or unsecured.

(x) Year 2000 Compliance.

(i) The Borrowers have (1) begun analyzing the operations of the Borrowers and their Subsidiaries that could be adversely affected by failure to become Year 2000 compliant (that is, that computer applications, imbedded microchips and other systems will be able to perform date-sensitive functions prior to and after December 31, 1999) and (2) developed a plan for becoming Year 2000 compliant in a timely manner, the implementation of which is on schedule in all material respects. The Borrowers reasonably believe that they will become Year 2000 compliant for their operations and those of their Subsidiaries on a timely basis except to the extent that a failure to do so could not reasonably be expected to have a Materially Adverse Effect.

(ii) The Borrowers reasonably believe any suppliers and vendors that are material to the operations of the Borrowers or their Subsidiaries will be Year 2000 compliant for their own computer applications except to the extent that a failure to do so could not reasonably be expected to have a Materially Adverse Effect.

(iii) The Borrowers will promptly notify the Administrative Agent and the Banks in the event the Borrowers determine that any computer application which is material to the operations of the Borrowers, their Subsidiaries or any of their material vendors or suppliers will not be fully Year 2000 compliant on a timely basis, except to the extent that such failure could not reasonably be expected to have a Materially Adverse Effect.

Section 4.2 Survival of Representations and Warranties, Etc. All

representations and warranties made under this Agreement and any other Loan Document shall be deemed to be made, and shall be true and correct in all material respects, at and as of the Agreement Date and on the date of each Advance except to the extent relating specifically to the Agreement Date. All representations and warranties made under this Agreement and the other Loan Documents shall survive, and not be waived by, the execution hereof by the Banks and the Administrative Agent, any investigation or inquiry by any Bank or the Administrative Agent, or the making of any Advance under this Agreement.

ARTICLE 5 General Covenants

So long as any of the Obligations is outstanding and unpaid or the Banks have an obligation to fund Advances hereunder (whether or not the conditions to borrowing have been or can be fulfilled), and unless the Majority Banks, or such greater number of Banks as may be expressly provided herein, shall otherwise consent in writing:

Section 5.1 Preservation of Existence and Similar Matters. Except as

permitted under Section 7.4 hereof, the Borrowers will, and will cause each of the Restricted Subsidiaries to:

(a) preserve and maintain its existence, and its material rights, franchises, licenses and privileges in the state of its incorporation, including, without limiting the foregoing, the Licenses and all other Necessary Authorizations, except where the failure to do so could not reasonably be expected to have a Materially Adverse Effect; and

(b) qualify and remain qualified and authorized to do business in each jurisdiction in which the character of its properties or the nature of its business requires such qualification or authorization, except for such failure to so qualify and be so authorized as could not reasonably be expected to have a Materially Adverse Effect.

Section 5.2 Business; Compliance with Applicable Law. The Borrowers will,

and will cause each of the Restricted Subsidiaries to, (a) engage in the business of owning, constructing, managing, operating and investing in communications tower facilities and related businesses and not engage in any unrelated activities, and (b) comply in all material respects with the requirements of all Applicable Law.

Section 5.3 Maintenance of Properties. The Borrowers will, and will cause

each of the Restricted Subsidiaries to, maintain or cause to be maintained in the ordinary course of business in good repair, working order and condition (reasonable wear and tear excepted) all properties used in their respective businesses (whether owned or held under lease), other than obsolete equipment or unused assets and from time to time make or cause to be made all needed and appropriate repairs, renewals, replacements, additions, betterments and improvements thereto.

Section 5.4 Accounting Methods and Financial Records. The Borrowers will,

and will cause each of the Restricted Subsidiaries on a consolidated and consolidating basis to, maintain a system of accounting established and administered in accordance with GAAP, keep adequate records and books of account in which complete entries will be made in accordance with GAAP and reflecting all transactions required to be reflected by GAAP, and keep accurate and complete records of their respective properties and assets. The Borrowers and the Restricted Subsidiaries will maintain a fiscal year ending on December 31.

Section 5.5 Insurance. The Borrowers will, and will cause each of the

Restricted Subsidiaries to:

(a) Maintain insurance including, but not limited to, business interruption coverage and public liability coverage insurance from responsible companies in such amounts and against such risks to the Borrowers and each Restricted Subsidiary as is prudent for similarly situated companies engaged in the communications tower industry.

(b) Keep their respective assets insured by insurers on terms and in a manner reasonably acceptable to the Administrative Agent against loss or damage by fire, theft, burglary, loss in transit, explosions and hazards insured against by extended coverage, in amounts which are prudent for the communications tower management and operation industry and reasonably satisfactory to the Administrative Agent, all premiums thereon to be paid by the Borrowers and the Restricted Subsidiaries.

(c) Require that each insurance policy provide for at least thirty (30) days' prior written notice to the Collateral Agent of any termination of or proposed cancellation or nonrenewal of such policy, and name the Collateral Agent as an additional named lender loss payee and, as appropriate, additional insured, to the extent of the Obligations.

Section 5.6 Payment of Taxes and Claims. The Borrowers will, and will

cause each Restricted Subsidiary to, pay and discharge all taxes, including, without limitation, withholding taxes, assessments and governmental charges or levies required to be paid by them or imposed upon them or their income or profits or upon any properties belonging to them, prior to the date on which penalties attach thereto, and all lawful claims for labor, materials and supplies which, if unpaid, might become a Lien or charge upon any of their properties; provided, however, that no such tax, assessment, charge, levy or

claim need be paid which is being diligently contested in good faith by appropriate proceedings and for which adequate reserves shall have been set aside on the appropriate books, but only so long as such tax, assessment, charge, levy or claim does not become a Lien or charge other than a Permitted Lien and no foreclosure, distraint, sale or similar proceedings shall have been commenced. The Borrowers will, and will cause each Restricted Subsidiary to, timely file all information returns required by federal, state or local tax authorities.

Section 5.7 Compliance with ERISA.

(a) The Borrowers shall, and shall cause their Subsidiaries to, make all contributions to any Employee Pension Plan when such contributions are due and not incur any "accumulated funding deficiency" within the meaning of Section 412(a) of the Code, whether or not waived, and will otherwise comply with the requirements of the Code and ERISA with respect to the operation of all Plans, except to the extent that the failure to so comply could not have a Materially Adverse Effect.

(b) The Borrowers shall, and shall cause their Subsidiaries to, comply in all respects with the requirements of ERISA with respect to any Plans subject to the requirements thereof, except to the extent that the failure to so comply could not have a Materially Adverse Effect.

(c) The Borrowers shall furnish to the Administrative Agent (i) within 30 days after any officer of ATS (Delaware) or ATSC GP obtains knowledge that a "prohibited

transaction" (within the meaning of Section 406 of ERISA or Section 4975 of the Code) has occurred with respect to any Plan of either Borrower or their ERISA Affiliates, including their Subsidiaries, that any Reportable Event has occurred with respect to any Employee Pension Plan or that PBGC has instituted or will institute proceedings under Title IV of ERISA to terminate any Employee Pension Plan or to appoint a trustee to administer any Employee Pension Plan, a statement setting forth the details as to such prohibited transaction, Reportable Event or termination or appointment proceedings and the action which it (or any other Employee Pension Plan sponsor if other than a Borrower) proposes to take with respect thereto, together with a copy of the notice of such Reportable Event given to PBGC if a copy of such notice is available to a Borrower, any of its Subsidiaries or any of its ERISA Affiliates, (ii) promptly after receipt thereof, a copy of any notice either Borrower, any of its Subsidiaries or any of their ERISA Affiliates or the sponsor of any Plan receives from PBGC or the Internal Revenue Service or the Department of Labor which sets forth or proposes any action or determination with respect to such Plan, (iii) promptly after the filing thereof, any annual report required to be filed pursuant to ERISA in connection with each Plan maintained by either Borrower or any of its ERISA Affiliates, including their Subsidiaries, and (iv) promptly upon the Administrative Agent's request therefor, such additional information concerning any such Plan as may be reasonably requested by the Administrative Agent.

(d) The Borrowers will promptly notify the Administrative Agent of any excise taxes which have been assessed or which either Borrower, any of its Subsidiaries or any of its ERISA Affiliates has reason to believe may be assessed against either Borrower, any of its Subsidiaries or any of its ERISA Affiliates by the Internal Revenue Service or the Department of Labor with respect to any Plan of either Borrower or its ERISA Affiliates, including its Subsidiaries.

(e) Within the time required for notice to the PBGC under Section 302(f)(4)(A) of ERISA, the Borrowers will notify the Administrative Agent of any lien arising under Section 302(f) of ERISA in favor of any Plan of either Borrower or its ERISA Affiliates, including its Subsidiaries.

(f) The Borrowers will not, and will not permit any of their Subsidiaries or any of their ERISA Affiliates, to take any of the following actions or permit any of the following events to occur if such action or event together with all other such actions or events would subject either Borrower, any of its Subsidiaries, or any of its ERISA Affiliates to any tax, penalty, or other liabilities which could have a Materially Adverse Effect:

(i) engage in any transaction in connection with which either Borrower, any of its Subsidiaries or any ERISA Affiliate could be subject to either a civil penalty assessed pursuant to Section 502(i) of ERISA or a tax imposed by Section 4975 of the Code;

(ii) terminate any Employee Pension Plan in a manner, or take any other action, which could result in any liability of either Borrower, any of its Subsidiaries or any ERISA Affiliate to the PBGC;

(iii) fail to make full payment when due of all amounts which, under the provisions of any Plan, either Borrower, any of its Subsidiaries or any ERISA Affiliate is required to pay as contributions thereto, or permit to exist any accumulated funding deficiency within the meaning of Section 412(a) of the Code, whether or not waived, with respect to any Employee Pension Plan; or

(iv) permit the present value of all benefit liabilities under all Employee Pension Plans which are subject to Title IV of ERISA to exceed the present value of the assets of such Plans allocable to such benefit liabilities (within the meaning of Section 4041 of ERISA), except as may be permitted under actuarial funding standards adopted in accordance with Section 412 of the Code.

Section 5.8 Visits and Inspections. The Borrowers will, and will cause

each Restricted Subsidiary to, permit representatives of the Administrative Agent and any of the Banks, upon reasonable notice, to (a) visit and inspect the properties of the Borrowers or any Restricted Subsidiary during business hours, (b) inspect and make extracts from and copies of their respective books and records, and (c) discuss with their respective principal officers their respective businesses, assets, liabilities, financial positions, results of operations and business prospects. The Borrowers and each Restricted Subsidiary will also permit representatives of the Administrative Agent and any of the Banks to discuss with their respective accountants the businesses, assets, liabilities, financial positions, results of operations and business prospects of such Person.

Section 5.9 Payment of Indebtedness; Facility B Loans. Subject to any

provisions herein or in any other Loan Document, the Borrowers will, and will cause each Restricted Subsidiary to, pay any and all of their respective Indebtedness when and as it becomes due, other than amounts diligently disputed in good faith and for which adequate reserves have been set aside in accordance with GAAP.

Section 5.10 Use of Proceeds. The Borrowers will use the aggregate

proceeds of all Advances under the Facility B Loans directly or indirectly:

(a) to refinance the Indebtedness for Money Borrowed as set forth on Schedule 8 attached hereto;

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(b) to fund Acquisitions and Investments (including, without limitation, investments in Unrestricted Subsidiaries) permitted under Section 7.6 hereof;

(c) to fund Capital Expenditures; and

(d) for working capital needs and other general corporate purposes of the Borrowers and the Restricted Subsidiaries, including, without limitation, the fees and expenses incurred in connection with the execution and delivery of this Agreement, to make advances to the Parent to fund the Separation Obligations (other than the tax portion of the Separation Obligation), and other costs associated with transactions contemplated by this Agreement, in each case, which do not otherwise conflict with this Section 5.10.

No proceeds of Advances hereunder shall be used for the purchase or carrying or the extension of credit for the purpose of purchasing or carrying, any margin stock within the meaning of the Regulations.

Section 5.11 Indemnity. The Borrowers jointly and severally agree to

indemnify and hold harmless each Bank, the Administrative Agent, and each of their respective affiliates, employees, representatives, shareholders, officers and directors (any of the foregoing shall be an "Indemnitee") from and against

any and all claims, liabilities, losses, damages, actions, reasonable attorneys' fees and expenses (as such fees and expenses are incurred) and demands by any party, including the costs of investigating and defending such claims, whether or not either Borrower, any Restricted Subsidiary or the Person seeking indemnification is the prevailing party (a) resulting from any breach or alleged breach by either Borrower or any Restricted Subsidiary of any representation or warranty made hereunder or under any Loan Document; or (b) otherwise arising out of (i) the Facility B Commitment or otherwise under this Agreement, any Loan Document or any transaction contemplated hereby or thereby, including, without limitation, the use of the proceeds of Facility B Loans hereunder in any fashion by either Borrower or the performance of their respective obligations under the Loan Documents by either Borrower or any Restricted Subsidiary, (ii) allegations of any participation by the Banks, the Administrative Agent, or any of them, in the affairs of either Borrower or any of its Subsidiaries, or allegations that any of them has any joint liability with either Borrower or any of its Restricted Subsidiaries for any reason, (iii) any claims against the Banks, the Administrative Agent, or any of them, by any shareholder or other investor in or lender to either Borrower or any of the Restricted Subsidiaries, by any brokers or finders or investment advisers or investment bankers retained by either Borrower or by any other third party, arising out of the Facility B Commitment or otherwise under this Agreement; or (c) in connection with taxes (not including federal or state income or franchise taxes or other taxes based solely upon the revenues or income of such Persons), fees, and other charges payable in connection with the Facility B Loans, or the execution, delivery, and enforcement of this Agreement, the Security Documents, the other Loan Documents, and any amendments thereto or waivers of any of the provisions thereof, unless the Person seeking indemnification hereunder is determined in such case to have acted with gross negligence or willful misconduct, in any case, by a final, non-appealable judicial order. The obligations of the Borrowers under this Section 5.11 are in addition to, and shall not otherwise limit, any liabilities which either Borrower might otherwise have in connection with any warranties or similar obligations of such Person in any other Loan Document.

Section 5.12 Interest Rate Hedging. Within sixty (60) days of the

Agreement Date and forty-five (45) days after each Advance, the Borrowers shall enter into (and shall at all times thereafter maintain for a period of not less than two (2) years) one or more Interest Hedge Agreements with respect to the interest obligations on not less than fifty percent (50%) of the principal amount of the Facility B Loans and loans under the Facility A Loan Agreement outstanding from time to time. Such Interest Hedge Agreements shall provide interest rate protection in conformity with International Swap Dealers Association standards and for an average period of at least two (2) years from the date of such Interest Hedge Agreements or, if earlier, until the Termination Date, or, if applicable, the Facility B Termination Date, or, if applicable, the Maturity Date on terms reasonably acceptable to the Administrative Agent, such terms to include consideration of the creditworthiness of the other party to the proposed Interest Hedge Agreement. All Obligations of the Borrowers to either the Administrative Agent or any of the Banks pursuant to any Interest Hedge Agreement and all Liens granted to secure such Obligations shall rank pari passu with all other Obligations and Liens securing such other Obligations up to the then effective amount of the Facility B Commitments; and any Interest Hedge Agreement between either Borrower and any other Person shall be unsecured.

Section 5.13 Covenants Regarding Formation of Restricted Subsidiaries and

Acquisitions; Partnership, Subsidiaries. At the time of (i) any Acquisition

permitted hereunder, (ii) the purchase by either Borrower or any of the Restricted Subsidiaries of any interests in any Restricted or Unrestricted Subsidiary, or (iii) the formation of any new Restricted or Unrestricted Subsidiary which is permitted under this Agreement, the Borrowers will, and will cause the Restricted Subsidiaries, as appropriate, to (a) provide to the Collateral Agent an executed Subsidiary Security Agreement for any new Restricted Subsidiary, in substantially the form of Exhibit M attached hereto,

together with appropriate UCC-1 financing statements, as well as an executed Subsidiary Guaranty for such new Restricted Subsidiary, in substantially the form of Exhibit K attached hereto, which shall constitute both Security

Documents and Loan Documents for purposes of this Agreement, as well as a loan certificate for such new Restricted Subsidiary, substantially in the form of Exhibit R attached hereto, together with appropriate attachments; (b) pledge to

the Collateral Agent all of the stock or partnership interests (or other instruments or securities evidencing ownership) of such Restricted Subsidiary or Unrestricted Subsidiary or Person which is acquired or formed, beneficially owned by either Borrower or any Restricted Subsidiary, as the case may be, as additional Collateral for the Obligations to be held by the Collateral Agent in accordance with the terms of the Pledge Agreement or a new Subsidiary Pledge Agreement in substantially the form of Exhibit L attached hereto, and execute

and deliver to the Administrative Agent all such documentation for such pledge as, in the reasonable opinion of the Administrative Agent, is appropriate; and (c) with respect to any Acquisition or Restricted Subsidiary, provide revised financial projections for the remainder of the fiscal year and for each subsequent year until the Maturity Date which reflect such Acquisition or formation, certified by the Chief Financial Officer of ATS, together with a statement by such Person that no Default exists or would be caused by such Acquisition or formation, and all

other documentation, including one or more opinions of counsel, reasonably satisfactory to the Administrative Agent which in its reasonable opinion is appropriate with respect to such Acquisition or the formation of such Subsidiary. Notwithstanding the foregoing, neither Borrower shall be required to pledge any of the stock of or other ownership interests for any Unrestricted Subsidiary which (x) was not formed or created in anticipation of the such Person's direct or indirect investment therein (other than to facilitate a transaction of the nature referred to in clause (y) following) and (y) at the time such stock or ownership interest was acquired by such Person is subject to a restriction on any such Lien (whether such restriction is in such Person's formation documents or otherwise), but shall be required to grant the Collateral Agent (for the benefit of the Banks) a Lien upon any right to receive distributions from such Unrestricted Subsidiary. Any document, agreement or instrument (other than the Projections) executed or issued pursuant to this Section 5.13 shall be a "Loan Document" for purposes of this Agreement.

Section 5.14 Payment of Wages. The Borrowers shall, and shall cause each

Restricted Subsidiary to, at all times comply, in all material respects, with the material requirements of the Fair Labor Standards Act, as amended, including, without limitation, the provisions of such Act relating to the payment of minimum and overtime wages as the same may become due from time to time.

Section 5.15 Further Assurances. The Borrowers will promptly cure, or

cause to be cured, defects in the creation and issuance of any of the Notes and the execution and delivery of the Loan Documents (including, without limitation, this Agreement), resulting from any acts or failure to act by either Borrower or any of the Restricted Subsidiaries or any employee or officer thereof. The Borrowers at their expense will promptly execute and deliver to the Administrative Agent and the Banks, or cause to be executed and delivered to the Administrative Agent and the Banks, all such other and further documents, agreements, and instruments in compliance with or accomplishment of the covenants and agreements in the Loan Documents, including this Agreement, or to correct any omissions in the Loan Documents, or more fully to state the obligations set out herein or in any of the Loan Documents, or to obtain any consents, all as may be necessary or appropriate in connection therewith and as may be reasonably requested.

ARTICLE 6 Information Covenants

So long as any of the Obligations is outstanding and unpaid or the Banks have an obligation to fund Advances hereunder (whether or not the conditions to borrowing have been or can be fulfilled) and unless the Majority Banks shall otherwise consent in writing, the Borrowers will furnish or cause to be furnished to each Bank and the Administrative Agent, at their respective offices:

Section 6.1 Quarterly Financial Statements and Information Within forty-

five (45) days after the last day of each of the first three (3) quarters of each fiscal year of the Borrowers, the balance sheets of the Borrowers on a consolidated basis with the Restricted Subsidiaries and a consolidating basis with their Unrestricted Subsidiaries as at the end of such quarter and as of the end of the preceding fiscal year, and the related statements of operations and the related statements of cash flows of the Borrowers on a consolidated basis with the Restricted Subsidiaries and a consolidating basis with their Unrestricted Subsidiaries for such quarter and for the elapsed portion of the year ended with the last day of such quarter, which shall set forth in comparative form such figures as at the end of and for such quarter and appropriate prior period and shall be certified by the Chief Financial Officer of ATS (Delaware) to have been prepared in accordance with GAAP and to present fairly in all material respects the financial position of the Borrowers on a consolidated basis with the Restricted Subsidiaries and a consolidating basis with its Unrestricted Subsidiaries as at the end of such period and the results of operations for such period, and for the elapsed portion of the year ended with the last day of such period, subject only to normal year-end and audit adjustments.

Section 6.2 Annual Financial Statements and Information. Within ninety

(90) days after the end of each fiscal year of the Borrowers, the audited consolidated balance sheet of the Borrowers and the Restricted Subsidiaries (and unaudited consolidating balance sheet of the Borrowers and the Unrestricted Subsidiaries) as of the end of such fiscal year and the related audited consolidated and unaudited consolidating statements of operations for such fiscal year and for the previous fiscal year, the related audited consolidated statements of cash flow and stockholders' equity for such fiscal year and for the previous fiscal year, which shall be accompanied by an opinion of Deloitte & Touche, LLP, or other independent certified public accountants of recognized national standing reasonably acceptable to the Administrative Agent, which shall be in scope and substance reasonably satisfactory to the Administrative Agent, together with a statement of such accountants that in connection with their audit, nothing came to their attention that caused them to believe that the Borrowers were not in compliance with the terms, covenants, provisions or conditions of Sections 7.8, 7.9, 7.10, 7.11 and 7.12 hereof insofar as they relate to accounting matters.

Section 6.3 Performance Certificates. At the time the financial

statements are furnished pursuant to Sections 6.1 and 6.2 hereof, a certificate of the president or chief financial officer of ATS (Delaware) as to their financial performance, in substantially the form attached hereto as Exhibit S:

(a) setting forth as and at the end of such quarterly period or fiscal year, as the case may be, the arithmetical calculations required to establish (i) any adjustment to the Applicable Margins, as provided for in Section 2.3(f) hereof, and (ii) whether or not the Borrowers were in compliance with the requirements of Sections 7.8, 7.9, 7.10, 7.11 and 7.12 hereof;

(b) stating that, to the best of his or her knowledge, no Default has occurred as at the end of such quarterly period or year, as the case may be, or, if a Default has occurred, disclosing each such Default and its nature, when it occurred, whether it is continuing and the steps being taken by the Borrowers with respect to such Default;

(c) containing a list of all Acquisitions, Investments, Restricted Payments and dispositions of assets from the Agreement Date through the date of such certificate, together with the total amount for each of the foregoing categories; and

(d) setting forth the amount of distributions received from Unrestricted Subsidiaries for such period.

Section 6.4 Copies of Other Reports.

(a) Promptly upon receipt thereof, copies of all reports, if any, submitted to either Borrower by its independent public accountants regarding such Borrower, including, without limitation, any management report prepared in connection with the annual audit referred to in Section 6.2 hereof.

(b) Promptly upon receipt thereof, copies of any material adverse notice or report regarding any License from the FCC.

(c) From time to time and promptly upon each request, such data, certificates, reports, statements, documents or further information regarding the business, assets, liabilities, financial position, projections, results of operations or business prospects of the Borrowers, or any of the Restricted Subsidiaries, as the Administrative Agent or any Bank may reasonably request.

(d) Annually, certificates of insurance indicating that the requirements of Section 5.5 hereof remain satisfied for such fiscal year, together with copies of any new or replacement insurance policies obtained during such year.

(e) Prior to January 31st of each year, the annual budget for the Borrowers and the Restricted Subsidiaries, including, without limitation, forecasts of the income statement, the balance sheet and a cash flow statement for such year, on a quarter by quarter basis.

(f) Promptly after the sending thereof, copies of all statements, reports and other information which the Parent sends to public security holders of the Parent generally or files with the Securities and Exchange Commission or any national securities exchange.

Section 6.5 Notice of Litigation and Other Matters. Notice specifying the nature and status of any of the following events, promptly, but in any event not later than fifteen

(15) days after the occurrence of any of the following events becomes known to either Borrower:

(a) the commencement of all proceedings and investigations by or before any governmental body and all actions and proceedings in any court or before any arbitrator against either Borrower or any Restricted Subsidiary, or, to the extent known to either Borrower, which could have a Materially Adverse Effect;

(b) any material adverse change with respect to the business, assets, liabilities, financial position, results of operations or business prospects of either Borrower and the Restricted Subsidiaries, taken as a whole, other than changes in the ordinary course of business which have not had and would not reasonably be expected to have a Materially Adverse Effect and other than changes in the industry in which either Borrower or any of the Restricted Subsidiaries operate which would not reasonably be expected to have a Materially Adverse Effect;

(c) any material adverse amendment or change to the projections or annual budget provided to the Banks hereunder;

(d) any Default or the occurrence or non-occurrence of any event (i) which constitutes, or which with the passage of time or giving of notice or both would constitute, a default by either Borrower or any of the Restricted Subsidiaries under any material agreement other than this Agreement and the other Loan Documents to which either Borrower or any of the Restricted Subsidiaries is party or by which any of their respective properties may be bound, or (ii) which could have a Materially Adverse Effect, giving in each case a description thereof and specifying the action proposed to be taken with respect thereto;

(e) the occurrence of any Reportable Event or a "prohibited transaction" (as such term is defined in Section 406 of ERISA or Section 4975 of the Code) with respect to any Plan of either Borrower or any of its Subsidiaries or the institution or threatened institution by PBGC of proceedings under ERISA to terminate or to partially terminate any such Plan or the commencement or threatened commencement of any litigation regarding any such Plan or naming it or the trustee of any such Plan with respect to such Plan or any action taken by either Borrower, any of its Subsidiaries or any ERISA Affiliate of either Borrower to withdraw or partially withdraw from any Plan or to terminate any Plan; and

(f) the occurrence of any event subsequent to the Agreement Date which, if such event had occurred prior to the Agreement Date, would have constituted an exception to the representation and warranty in Section 4.1(m) hereof.

ARTICLE 7 Negative Covenants

So long as any of the Obligations is outstanding and unpaid or the Banks have an obligation to fund Advances hereunder (whether or not the conditions to borrowing have been or can be fulfilled) and unless the Majority Banks, or such greater number of Banks as may be expressly provided herein, shall otherwise give their prior consent in writing:

Section 7.1 Indebtedness of the Borrowers and their Subsidiaries. The

Borrowers shall not, and shall not permit any of their Subsidiaries to, create, assume, incur or otherwise become or remain obligated in respect of, or permit to be outstanding, any Indebtedness except:

(a) the Obligations;

(b) "Obligations" under the ATS Facility A Loan Agreement and "Obligations" under the Parent Loan Agreement;

(c) accounts payable, accrued expenses (including, without limitation, taxes) and customer advance payments incurred in the ordinary course of business;

(d) Indebtedness secured by Permitted Liens;

(e) obligations under Interest Hedge Agreements with respect to the Facility A Loans and the Facility B Loans;

(f) Indebtedness of either Borrower or any of the Restricted Subsidiaries to either Borrower or any other Restricted Subsidiary; provided,

however, that the corresponding debt instruments are pledged to the

Administrative Agent as security for the Obligations and such Indebtedness is expressly permitted pursuant to Section 7.5 hereof;

(g) Indebtedness incurred by any Unrestricted Subsidiary; provided,

however, that such Indebtedness is non-recourse to the Borrowers or any

Restricted Subsidiary and no Lien is placed on the equity interests of the Borrowers or any Restricted Subsidiary in such Unrestricted Subsidiary;

(h) Capitalized Lease Obligations not to exceed in the aggregate at any one time outstanding \$5,000,000; and

(i) Indebtedness of either Borrower or any of the Restricted Subsidiaries incurred in connection with an Acquisition; provided, however, that

(i) such Indebtedness (A) is owed to the seller thereof, (B) is unsecured, (C) has no scheduled payment of principal prior to the full payment of the Obligations, (D) is subject to terms and conditions

and subordination provisions which are acceptable to the Majority Banks on the date of incurrence, (E) when added to all other Indebtedness outstanding under this Section 7.1(i) does not exceed \$25,000,000, and (ii) the Borrowers are, at the time of incurrence of such Indebtedness (and after giving effect thereto), in pro forma compliance with all of the covenants contained in this Agreement.

Section 7.2 Limitation on Liens. The Borrowers shall not, and shall not

permit any of the Restricted Subsidiaries to, create, assume, incur or permit to exist or to be created, assumed, incurred or permitted to exist, directly or indirectly, any Lien on any of its properties or assets, whether now owned or hereafter acquired, except for Permitted Liens.

Section 7.3 Amendment and Waiver. The Borrowers shall not, and shall not

permit any of the Restricted Subsidiaries to, enter into any amendment of, or agree to or accept or consent to any waiver of any of the material provisions of its Articles or Certificate of Incorporation or partnership agreement, as appropriate, if the effect thereof would be to adversely affect the rights of the Banks hereunder or under any Loan Document.

Section 7.4 Liquidation, Merger or Disposition of Assets.

(a) Disposition of Assets. The Borrowers shall not, and shall not

permit any of the Restricted Subsidiaries to, at any time sell, lease, abandon, or otherwise dispose of any assets (other than assets disposed of in the ordinary course of business) without the prior written consent of all of the Banks; provided, however, that the prior written consent of the Banks shall not

be required for (i) the transfer of assets (including cash or cash equivalents) among the Borrowers and the Restricted Subsidiaries (excluding Subsidiaries of such Persons described in clause (b) of the definition of "Subsidiary") or for the transfer of assets (including cash or cash equivalents) between or among Restricted Subsidiaries (excluding Subsidiaries of such Persons described in clause (b) of the definition of "Subsidiary") or (ii) the disposition of assets that contribute, in the aggregate, less than (A) fifteen percent (15%) of Annualized Operating Cash Flow of the Borrowers and the Restricted Subsidiaries as of the calendar quarter end immediately preceding such disposition, and (B) twenty-five percent (25%) of the Operating Cash Flow of the Borrowers and the Restricted Subsidiaries for the period from the Agreement Date through the date of such disposition; provided further, however, that, in each case, no Default

or Event of Default exists and none shall be caused to occur as a result thereof. Upon any sale or disposition of a Restricted Subsidiary permitted hereunder, the Administrative Agent and the Banks shall, at Borrowers' expense, take such actions as the Borrowers reasonably requests to cause such Restricted Subsidiary to be released from its obligations under its Subsidiary Guaranty.

(b) Liquidation or Merger. The Borrowers shall not, and shall not

permit any of the Restricted Subsidiaries to, at any time, liquidate or dissolve itself (or suffer any liquidation or dissolution) or otherwise wind up, or enter into any merger, other than (i) a merger or consolidation among the Borrowers or among either Borrower and one or more

Restricted Subsidiaries, provided, however, that either Borrower, as the case

may be, is the surviving Person, or (ii) a merger between or among two (2) or more Restricted Subsidiaries, or (iii) in connection with an Acquisition permitted hereunder effected by a merger in which either Borrower, as the case may be, or, in a merger in which neither Borrower is a party, a Restricted Subsidiary is the surviving Person or the surviving Person becomes a Restricted Subsidiary, or (iv) a merger or consolidation among the Borrowers, or either Borrower, or any Restricted Subsidiary on the one hand, and any Person, on the other hand, where the surviving Person (A) is a corporation, partnership, or limited liability company organized and existing under the laws of the United States of America, any State thereof or the District of Columbia, and (B) on the effective date of such merger or consolidation expressly assume, by supplemental agreement, executed and delivered to the Administrative Agent, for the benefit of itself and the Banks, in form and substance reasonably satisfactory to the Majority Banks, all the Obligations of the Borrowers, or Borrower, or such restricted Subsidiary, as the case may be, under the Facility B Notes, the Agreement and the other Loan Documents; provided further, however, that, in each

case, no Default or Event of Default exists and none shall be caused to occur as a result thereof.

Section 7.5 Limitation on Guaranties. The Borrowers shall not, and shall

not permit any of the Restricted Subsidiaries to, at any time Guaranty, assume, be obligated with respect to, or permit to be outstanding any Guaranty of, any obligation of any other Person other than (a) a guaranty by endorsement of negotiable instruments for collection in the ordinary course of business, (b) obligations under agreements of either Borrower or any of the Restricted Subsidiaries entered into in connection with Acquisitions permitted under this Agreement, leases of real property or the acquisition or furnishing of services, supplies and equipment in the ordinary course of business of either Borrower or any of the Restricted Subsidiaries, (c) Guaranties of Indebtedness incurred as permitted pursuant to Section 7.1 hereof, (d) as may be contained in any Loan Document including, without limitation, any Subsidiary Guaranty, or (e) Guaranties of the "Obligations" under the Parent Loan Agreement or the ATS Facility A Loan Agreement.

Section 7.6 Investments and Acquisitions. The Borrowers shall not, and

shall not permit any of the Restricted Subsidiaries to, directly or indirectly, make any loan or advance, or otherwise acquire for consideration evidences of Indebtedness, capital stock or other securities of any Person or other assets or property (other than assets or property in the ordinary course of business), or make any Acquisition or Investment; provided, however, that the Borrowers and

the Restricted Subsidiaries may:

(a) directly or through a brokerage account (i) purchase marketable, direct obligations of the United States of America, its agencies and instrumentalities maturing within three hundred sixty-five (365) days of the date of purchase, (ii) purchase commercial paper, money-market funds and business savings accounts issued by corporations, each of which shall have a combined net worth of at least \$100,000,000 and each of which conducts a substantial part of its business in the United States of America, maturing within two

hundred seventy (270) days from the date of the original issue thereof, and rated "P-2" or better by Moody's Investors Service, Inc. or "A-2" or better by Standard and Poor's Ratings Group, a division of McGraw-Hill, (iii) purchase repurchase agreements, bankers' acceptances, and domestic and Eurodollar certificates of deposit maturing within three hundred sixty-five (365) days of the date of purchase which are issued by, or time deposits maintained with, a United States national or state bank the deposits of which are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation and having capital, surplus and undivided profits totaling more than \$100,000,000 and rated "A" or better by Moody's Investors Service, Inc. or Standard and Poor's Ratings Group, a division of McGraw-Hill, Inc.;

(b) so long as no Default then exists or would be caused thereby, establish Unrestricted Subsidiaries and make Investments in such Unrestricted Subsidiaries of up to, in the aggregate, at any time, the sum of (i) \$50,000,000, with loans borrowed under this Loan Agreement or the ATS Facility A Loan Agreement, and (ii) equity proceeds not used to pay the Separation Obligations or to make Investments permitted under Sections 7.6(c) and (d) hereof;

(c) so long as no Default then exists or would be caused thereby, and subject to compliance with Section 5.13 hereof, make Acquisitions; provided,

however, that Acquisitions of communications sites and tower management
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businesses shall not exceed, in the aggregate, at any time, the sum of (i) \$50,000,000 and (ii) equity proceeds not used to pay the Separation Obligations after the Agreement Date or to make Investments permitted under Sections 7.6(b) and (d) hereof;

(d) so long as no Default then exists or would be caused thereby and subject to compliance with Section 5.13 hereof, make Investments in communications site and related companies in an amount not to exceed, in the aggregate, at any time, the sum of (i) \$25,000,000 and (ii) equity proceeds not used to pay the Separation Obligations or to make Investments permitted under Sections 7.6(b) and (c) hereof; provided, however, that the Parent, either
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Borrower or any of their Subsidiaries has executed a binding acquisition or merger agreement with such company;

(e) make Investments consisting of the Sconnix Note; and

(f) (i) make loans and advances to employees in the ordinary course of business and (ii) receive notes from employees in an amount not to exceed \$2,000,000 in the aggregate outstanding at any time in connection with the exercise of stock options.

Section 7.7 Restricted Payments. The Borrowers shall not, and shall not
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permit any of the Restricted Subsidiaries to, directly or indirectly declare or make any Restricted Payment; provided, however, that so long as no Default or
- - - - -

Event of Default hereunder then exists or would be caused thereby, the Borrowers may make (a) subject to Section 2.7(b)(iv)

hereof, cash distributions in an aggregate amount for both Borrowers not to exceed fifty percent (50%) of Excess Cash Flow for the immediately preceding calendar year, on or after April 15/th/ of each calendar year commencing on April 15, 2002; (b) subject to Section 2.7(b)(v) hereof, unrestricted cash distributions in an amount in the aggregate, not to exceed the net proceeds of any debt or equity issued after the Agreement Date; and (c) scheduled principal and interest payments on any Indebtedness of the Parent which is permitted hereunder.

Section 7.8 Senior Leverage Ratio. (a) As of the end of any calendar

quarter, and (b) at the time of any Advance hereunder (after giving effect to such Advance), the Borrowers shall not permit the Senior Leverage Ratio to exceed the ratios set forth below during the periods indicated:

Period -----	Ratio -----
Closing through September 29, 1999	6.50:1
September 30, 1999 through September 29, 2000	6.25:1
September 30, 2000 through March 30, 2001	6.00:1
March 31, 2001 through June 29, 2001	5.75:1
June 30, 2001 through September 29, 2001	5.50:1
September 30, 2001 through December 30, 2001	5.25:1
December 31, 2001 through March 30, 2002	4.75:1
March 31, 2002 through June 29, 2002	4.50:1
June 30, 2002 through September 29, 2002	4.25:1
September 30, 2002 through December 30, 2002	4.00:1
December 31, 2002 through March 30, 2003	3.75:1
March 31, 2003 through June 29, 2003	3.50:1
June 30, 2003 through September 29, 2003	3.25:1
September 30, 2003 and thereafter	3.00:1

Section 7.9 Total Leverage Ratio. (a) As of the end of any calendar

quarter, and (b) at the time of any Advance hereunder (after giving effect to such Advance), the Borrowers shall not permit the ratio of (i) Total Debt on such date to (ii) Annualized Operating Cash Flow to exceed the ratios set forth below during the periods indicated:

Period -----	Ratio -----
Closing through September 29, 1999	8.00:1
September 30, 1999 through September 29, 2000	7.75:1
September 30, 2000 through March 30, 2001	7.50:1
March 31, 2001 through June 29, 2001	6.75:1
June 30, 2001 through September 29, 2001	6.50:1
September 30, 2001 through December 30, 2001	6.25:1
December 31, 2001 through March 30, 2002	5.75:1
March 31, 2002 through June 29, 2002	5.50:1
June 30, 2002 through September 29, 2002	5.25:1
September 30, 2002 through December 30, 2002	5.00:1
December 31, 2002 through March 30, 2003	4.75:1
March 31, 2003 through June 29, 2003	4.50:1
June 30, 2003 through September 29, 2003	4.25:1
September 30, 2003 and thereafter	4.00:1

Section 7.10 Interest Coverage Ratio. The Borrowers shall maintain, on a

consolidated basis, at all times during the applicable periods set forth below,
an Interest Coverage Ratio for such fiscal quarter of not less than the ratio
set forth below opposite each such period:

Period -----	Ratio -----
Agreement Date through March 30, 2001	1.50:1
March 31, 2001 through March 30, 2002	1.75:1
March 31, 2002 through December 30, 2002	2.00:1
December 31, 2002 through December 30, 2003	2.25:1
December 31, 2003 and thereafter	2.50:1

Section 7.11 Annualized Operating Cash Flow to Pro Forma Debt Service.

(a) As of the end of any calendar quarter, and (b) at the time of any Advance
hereunder (after giving effect to such Advance), the Borrowers, on a
consolidated basis, shall not permit the ratio of (i) Annualized Operating Cash
Flow to (ii) Pro Forma Debt Service to be less than the ratio set forth below
opposite each such period:

Period -----	Ratio -----
Agreement Date through March 30, 2000	1.10:1
March 31, 2000 through December 30, 2002	1:15:1
December 31, 2002 and thereafter	1:50:1

Section 7.12 Fixed Charge Coverage Ratio. (a) As of the end of any

calendar quarter, and (b) at the time of any Advance hereunder (after giving effect to such Advance), the Borrowers, on a consolidated basis, shall not permit the Fixed Charges Coverage Ratio to be less than or equal to 1.05 to 1.

Section 7.13 Affiliate Transactions. Except as specifically provided

herein (including, without limitation, Sections 7.4, 7.6 and 7.7 hereof) and as may be described on Schedule 7 attached hereto, the Borrowers shall not, and

shall not permit any of the Restricted Subsidiaries to, at any time engage in any transaction with an Affiliate, other than between or among either Borrower and any wholly-owned Restricted Subsidiary, or make an assignment or other transfer of any of its properties or assets to any Affiliate, on terms less advantageous to such Borrower or such Restricted Subsidiary than would be the case if such transaction had been effected with a non-Affiliate.

Section 7.14 ERISA Liabilities. The Borrowers shall not, and shall cause

each of their ERISA Affiliates not to, (a) permit the assets of any of their respective Plans to be less than the amount necessary to provide all accrued benefits under such Plans, or (b) enter into any Multiemployer Plan.

Section 7.15 Sales and Leasebacks. The Borrowers will not and will not

permit any Restricted Subsidiary to enter into, any arrangement, directly or indirectly, with any third party whereby either Borrower or a Restricted Subsidiary shall sell or transfer any property, real or personal, whether now owned or hereafter acquired, and whereby either Borrower or such Restricted Subsidiary shall then or thereafter rent or lease as lessee such property or any part thereof or other property which either Borrower or such Restricted Subsidiary intends to use for substantially the same purpose or purposes as the property sold or transferred.

ARTICLE 8 Default

Section 8.1 Events of Default. Each of the following shall constitute an

Event of Default, whatever the reason for such event and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment or order of any court or any order, rule or regulation of any governmental or non-governmental body:

(a) Any representation or warranty made under this Agreement shall prove incorrect or misleading in any material respect when made or deemed to be made pursuant to Section 4.2 hereof;

(b) The Borrowers shall default in the payment of (i) any interest under any of the Facility B Notes or fees or other amounts payable to the Banks and the Administrative Agent under any of the Loan Documents, or any of them, when due, and such Default shall

not be cured by payment in full within three (3) Business Days from the due date or (ii) any principal under any of the Facility B Notes when due;

(c) The Borrowers shall default in the performance or observance of any agreement or covenant contained in Sections 5.2(a), 5.10, 7.1, 7.2, 7.4, 7.5, 7.7, 7.8, 7.9, 7.10, 7.11 and 7.12 hereof;

(d) The Borrowers shall default in the performance or observance of any other agreement or covenant contained in this Agreement not specifically referred to elsewhere in this Section 8.1, and such default shall not be curable within a period of thirty (30) days (or with respect to Sections 5.3, 5.4, 5.5, 5.6, 5.7, 5.8, 5.9, 5.14, 5.15, 5.16, 6.4, 6.5, 7.3, 7.13, 7.14 and 7.15 hereof, such longer period not to exceed sixty (60) days if such default is curable within such period and the Borrowers are proceeding in good faith with all diligent efforts to cure such default) from the later of (i) occurrence of such Default and (ii) the date on which such Default became known to the Borrowers;

(e) There shall occur any default in the performance or observance of any agreement or covenant or breach of any representation or warranty contained in any of the Loan Documents (other than this Agreement or as otherwise provided in this Section 8.1) by the Borrowers, any of the Restricted Subsidiaries, or any other obligor thereunder, which shall not be cured within a period of thirty (30) days (or such longer period not to exceed sixty (60) days if such default is curable within such period and the Borrowers or such Restricted Subsidiaries or other obligor are proceeding in good faith with all diligent efforts to cure such default) from the date on which such default became known to the Borrowers;

(f) There shall be entered and remain unstayed a decree or order for relief in respect of either Borrower or any of the Restricted Subsidiaries under Title 11 of the United States Code, as now constituted or hereafter amended, or any other applicable Federal or state bankruptcy law or other similar law, or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or similar official of either Borrower or any of the Restricted Subsidiaries, or of any substantial part of their respective properties, or ordering the winding-up or liquidation of the affairs of either Borrower or any of the Restricted Subsidiaries; or an involuntary petition shall be filed against either Borrower or any of the Restricted Subsidiaries and a temporary stay entered, and (i) such petition and stay shall not be diligently contested, or (ii) any such petition and stay shall continue undismissed for a period of ninety (90) consecutive days;

(g) Either Borrower or any of the Restricted Subsidiaries shall file a petition, answer or consent seeking relief under Title 11 of the United States Code, as now constituted or hereafter amended, or any other applicable Federal or state bankruptcy law or other similar law, or either Borrower or any of the Restricted Subsidiaries shall consent to the institution of proceedings thereunder or to the filing of any such petition or to the appointment or taking of possession of a receiver, liquidator, assignee, trustee, custodian,

sequestrator or other similar official of either Borrower or any of the Restricted Subsidiaries or of any substantial part of their respective properties, or either Borrower or any of the Restricted Subsidiaries shall fail generally to pay their respective debts as they become due or shall be adjudicated insolvent; either Borrower, as the case may be, shall suspend or discontinue its business, except as permitted by Section 7.4 hereof; either Borrower or any of the Restricted Subsidiaries shall have concealed, removed any of its property with the intent to hinder or defraud its creditors or shall have made a fraudulent or preferential transfer under any applicable fraudulent conveyance or bankruptcy law; or either Borrower or any of the Restricted Subsidiaries shall take any action in furtherance of any such action;

(h) A judgment not covered by insurance or indemnification, where the indemnifying party has agreed to indemnify and is financially able to do so, shall be entered by any court against either Borrower or any of the Restricted Subsidiaries for the payment of money which exceeds singly, or in the aggregate with other such judgments, \$10,000,000, or a warrant of attachment or execution or similar process shall be issued or levied against property of either Borrower or any of the Restricted Subsidiaries which, together with all other such property of either Borrower or any of the Restricted Subsidiaries subject to other such process, exceeds in value \$10,000,000 in the aggregate, and if, within thirty (30) days after the entry, issue or levy thereof, such judgment, warrant or process shall not have been paid or discharged or stayed pending appeal or removed to bond, or if, after the expiration of any such stay, such judgment, warrant or process, shall not have been paid or discharged or removed to bond;

(i) There shall be at any time any "accumulated funding deficiency," as defined in ERISA or in Section 412 of the Code, with respect to any Plan maintained by either Borrower or any of its Subsidiaries or any ERISA Affiliate, or to which either Borrower or any of its Subsidiaries or any ERISA Affiliate has any liabilities, or any trust created thereunder; or a trustee shall be appointed by a United States District Court to administer any such Plan; or PBGC shall institute proceedings to terminate any such Plan; or either Borrower or any of its Subsidiaries or any ERISA Affiliate shall incur any liability to PBGC in connection with the termination of any such Plan; or any Plan or trust created under any Plan of either Borrower or any of its Subsidiaries or any ERISA Affiliate shall engage in a "prohibited transaction" (as such term is defined in Section 406 of ERISA or Section 4975 of the Code) which would subject any such Plan, any trust created thereunder, any trustee or administrator thereof, or any party dealing with any such Plan or trust to the tax or penalty on "prohibited transactions" imposed by Section 502 of ERISA or Section 4975 of the Code;

(j) There shall occur (i) any acceleration of the maturity of any Indebtedness of either Borrower or any of the Restricted Subsidiaries (other than the ATS Facility A Loan Agreement) in an aggregate principal amount exceeding \$5,000,000, or, as a result of a failure to comply with the terms thereof, such Indebtedness shall otherwise have become due and payable; (ii) any event or condition the occurrence of which would permit such acceleration of such Indebtedness, or which, as a result of a failure to comply with the

terms thereof, would make such Indebtedness otherwise due and payable, and which event or condition has not been cured within any applicable cure period or waived in writing prior to any declaration of an Event of Default or acceleration of the Facility B Loans hereunder; or (iii) any material default under any Interest Hedge Agreement which would permit the obligation of either Borrower to make payments to the counterparty thereunder to be then due and payable;

(k) The Borrowers and the Restricted Subsidiaries are for any reason no longer able to operate or manage the related communications tower facilities or portions thereof and retain the revenue received therefrom, and the overall effect of which would be to reduce Annualized Operating Cash Flow (determined as at the last day of the most recently ended fiscal year of the Borrowers) by ten percent (10%) or more;

(1) Any material Loan Document, or any material provision thereof, shall at any time and for any reason be declared by a court of competent jurisdiction to be null and void, or a proceeding shall be commenced by either Borrower or any of the Restricted Subsidiaries or by any governmental authority having jurisdiction over the Borrower or any of the Restricted Subsidiaries seeking to establish the invalidity or unenforceability thereof (exclusive of questions of interpretation of any provision thereof), or either Borrower or any of the Restricted Subsidiaries shall deny that it has any liability or obligation for the payment of principal or interest purported to be created under any Loan Document;

(m) Any material Security Document shall, for any reason, fail or cease (except by reason of lapse of time) to create a valid and perfected and first-priority Lien on or Security Interest in any material portion of the Collateral purported to be covered thereby;

(n) There shall occur any Change of Control;

(o) Either Borrower or any of the Restricted Subsidiaries shall be indicted under the Racketeer Influenced and Corrupt Organizations Act of 1970 (18 U.S.C. (S)1961 et seq.);

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(p) There shall occur and be continuing any "Event of Default" (in each case, as defined therein) under the Parent Loan Agreement or the ATS Facility A Loan Agreement;

(q) The Parent shall incur any Indebtedness for Money Borrowed other than under the Parent Loan Agreement (or any refinancing thereof which does not exceed the principal amount outstanding on the date of such refinancing); or

(r) The Parent shall, without the consent of the Required Lenders (which consent may not be unreasonably withheld, delayed or conditioned), (i) prepay all or a part of the principal amount of the Indebtedness outstanding under the Parent Loan Agreement or

(ii) make any material amendment, modification, supplement or restatement to the Parent Loan Agreement or the documents pertaining to the Interim Financing.

Section 8.2 Remedies.

(a) If an Event of Default specified in Section 8.1 (other than an Event of Default under Section 8.1(f) or (g) hereof) shall have occurred and shall be continuing, the Administrative Agent, at the request of the Majority Banks but subject to Section 9.8 hereof, shall (i) terminate the Facility B Commitment, and/or (ii) declare the principal of and interest on the Facility B Loans and the Facility B Notes and all other amounts owed to the Banks and the Administrative Agent under this Agreement, the Facility B Notes and any other Loan Documents to be forthwith due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived, anything in this Agreement, the Facility B Notes or any other Loan Document to the contrary notwithstanding, and the Facility B Commitment shall thereupon forthwith terminate.

(b) Upon the occurrence and continuance of an Event of Default specified in Section 8.1(f) or (g) hereof, all principal, interest and other amounts due hereunder and under the Facility B Notes, and all other Obligations, shall thereupon and concurrently therewith become due and payable and the Facility B Commitment shall forthwith terminate and the principal amount of the Facility B Loans outstanding hereunder shall bear interest at the Default Rate, all without any action by the Administrative Agent or the Banks or the Majority Banks or any of them and without presentment, demand, protest or other notice of any kind, all of which are expressly waived, anything in this Agreement or in the other Loan Documents to the contrary notwithstanding.

(c) Upon acceleration of the Facility B Notes, as provided in subsection (a) or (b) of this Section 8.2, the Administrative Agent and the Banks shall have all of the post-default rights granted to them, or any of them, as applicable under the Loan Documents and under Applicable Law.

(d) Upon acceleration of the Facility B Notes, as provided in subsection (a) or (b) of this Section 8.2, the Administrative Agent shall have the right (but not the obligation) upon the request of the Banks to operate the communications tower facilities of the Borrowers and the Restricted Subsidiaries and pursuant to the terms and subject to any limitations contained in the Security Documents and, within guidelines established by the Majority Banks, to make any and all payments and expenditures necessary or desirable in connection therewith, including, without limitation, payment of wages as required under the Fair Labor Standards Act, as amended, and of any necessary withholding taxes to state or federal authorities. In the event the Majority Banks fail to agree upon the guidelines referred to in the preceding sentence within six (6) Business Days' after the Administrative Agent has begun to operate the communications tower facilities, the Administrative Agent may, after giving three (3) days' prior written notice to the Banks of its intention to do so, make such

payments and expenditures as it deems reasonable and advisable in its sole discretion to maintain the normal day-to-day operation of such communications tower facilities. Such payments and expenditures in excess of receipts shall constitute Advances under the Facility B Commitment, not in excess of the amount of the Facility B Commitment. Advances made pursuant to this Section 8.2(d) shall bear interest as provided in Section 2.3(d) hereof and shall be payable by the Borrowers on demand. The making of one or more Advances under this Section 8.2(d) shall not create any obligation on the part of the Banks to make any additional Advances hereunder. No exercise by the Administrative Agent of the rights granted to it under this Section 8.2(d) shall constitute a waiver of any other rights and remedies granted to the Administrative Agent and the Banks, or any of them, under this Agreement or at law. Each Borrower hereby irrevocably appoints the Administrative Agent as agent for the Banks, the true and lawful attorney of each of them, in its name and stead and on its behalf, to execute, receipt for or otherwise act in connection with any and all contracts, instruments or other documents in connection with the completion and operation of the communications tower facilities in the exercise of the Administrative Agent's and the Banks' rights under this Section 8.2(d). Such power of attorney is coupled with an interest and is irrevocable. The rights of the Administrative Agent under this Section 8.2(d) shall be subject to its prior compliance with the Communications Act and the FCC rules and policies promulgated thereunder to the extent applicable to the exercise of such rights.

(e) Upon acceleration of the Facility B Notes, as provided in subsection (a) or (b) of this Section 8.2, the Administrative Agent, upon request of the Majority Banks, shall have the right to appoint a receiver for the properties and assets of the Borrowers and the Restricted Subsidiaries, and each Borrower, for itself and on behalf of its Restricted Subsidiaries, hereby consents to such rights and such appointment and hereby waives any objection either Borrower or any Restricted Subsidiary may have thereto or the right to have a bond or other security posted by the Administrative Agent, on behalf of the Banks, in connection therewith. The rights of the Administrative Agent under this Section 8.2(e) shall be subject to its prior compliance with the Communications Act and the FCC rules and policies promulgated thereunder to the extent applicable to the exercise of such rights.

(f) The rights and remedies of the Administrative Agent and the Banks hereunder shall be cumulative, and not exclusive.

Section 8.3 Payments Subsequent to Declaration of Event of Default.

Subsequent to the acceleration of the Facility B Loans under Section 8.2 hereof, payments and prepayments under this Agreement made to the Administrative Agent and the Banks or otherwise received by any of such Persons (from realization on Collateral for the Obligations or otherwise) shall be paid over to the Administrative Agent (if necessary) and distributed by the Administrative Agent as follows: first, to the Administrative Agent's reasonable costs and expenses,

if any, incurred in connection with the collection of such payment or prepayment, including, without limitation, any reasonable costs incurred by it in connection with the sale or disposition of any Collateral for the Obligations and all amounts under Section 11.2(b)

hereof; second, to the Banks or the Administrative Agent for any fees hereunder

or under any of the other Loan Documents then due and payable; third, to the

Banks pro rata on the basis of their respective unpaid principal amounts (except as provided in Section 2.2(e) hereof), to the payment of any unpaid interest which may have accrued on the Obligations; fourth, to the Banks pro rata until

all Facility B Loans have been paid in full (and, for purposes of this clause, obligations under Interest Hedge Agreements with the Banks or any of them shall be paid on a pro rata basis with the Facility B Loans); fifth, to the Banks pro

rata on the basis of their respective unpaid amounts, to the payment of any other unpaid Obligations; and sixth, to the Borrowers or as otherwise required

by law.

ARTICLE 9 The Administrative Agent and The Collateral Agent

Section 9.1 Appointment and Authorization. Each Bank hereby irrevocably

appoints and authorizes, and hereby agrees that it will require any transferee of any of its interest in its portion of the Facility B Loans and in its Facility B Note irrevocably to appoint and authorize, the Administrative Agent to take such actions as its agent on its behalf and to exercise such powers hereunder and under the other Loan Documents as are delegated by the terms hereof and thereof, together with such powers as are reasonably incidental thereto. Neither the Administrative Agent, nor any of its respective directors, officers, employees or agents, shall be liable 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 as determined by a final, non-appealable judicial order of a court of competent jurisdiction.

Section 9.2 Interest Holders. The Administrative Agent may treat each

Bank, or the Person designated in the last notice filed with the Administrative Agent, as the holder of all of the interests of such Bank in its portion of the Facility B Loans and in its Note until written notice of transfer, signed by such Bank (or the Person designated in the last notice filed with the Administrative Agent) and by the Person designated in such written notice of transfer, in form and substance satisfactory to the Administrative Agent, shall have been filed with the Administrative Agent.

Section 9.3 Consultation with Counsel. The Administrative Agent may

consult with Powell, Goldstein, Frazer & Murphy LLP, Atlanta, Georgia, special counsel to the Administrative Agent, or with other legal counsel selected by it and shall not be liable for any action taken or suffered by it in good faith in consultation with the Majority Banks and in reasonable reliance on such consultations.

Section 9.4 Documents. The Administrative Agent shall be under no duty to

examine, inquire into, or pass upon the validity, effectiveness or genuineness of this Agreement, any Facility B Note, any other Loan Document, or any instrument, document or communication furnished pursuant hereto or in connection herewith, and the Administrative

Agent shall be entitled to assume that they are valid, effective and genuine, have been signed or sent by the proper parties and are what they purport to be.

Section 9.5 Administrative Agent and Affiliates. With respect to the

Facility B Commitment and the Facility B Loans, the Administrative Agent shall have the same rights and powers hereunder as any other Bank and the Administrative Agent and Affiliates of the Administrative Agent may accept deposits from, lend money to and generally engage in any kind of business with either Borrower, any of its Subsidiaries or other Affiliates of, or Persons doing business with, either Borrower, any of its Subsidiaries or other Affiliates, as if they were not affiliated with the Administrative Agent and without any obligation to account therefor.

Section 9.6 Responsibility of the Administrative Agent. The duties and

obligations of the Administrative Agent under this Agreement are only those expressly set forth in this Agreement. The Administrative Agent shall be entitled to assume that no Default or Event of Default has occurred and is continuing unless it has actual knowledge, or has been notified in writing by either Borrower, of such fact, or has been notified by a Bank in writing that such Bank considers that a Default or an Event of Default has occurred and is continuing, and such Bank shall specify in detail the nature thereof in writing. The Administrative Agent shall not be liable hereunder for any action taken or omitted to be taken except for its own gross negligence or willful misconduct as determined by a final, non-appealable judicial order of a court of competent jurisdiction. The Administrative Agent shall provide each Bank with copies of such documents received from the Borrowers as such Bank may reasonably request.

Section 9.7 Action by the Administrative Agent.

(a) The Administrative Agent shall be entitled to use its discretion with respect to exercising or refraining from exercising any rights which may be vested in it by, and with respect to taking or refraining from taking any action or actions which it may be able to take under or in respect of, this Agreement, unless the Administrative Agent shall have been instructed by the Majority Banks to exercise or refrain from exercising such rights or to take or refrain from taking such action; provided, however, that the

Administrative Agent shall not exercise any rights under Section 8.2(a) hereof without the request of the Majority Banks (or, where expressly required, all the Banks), unless time is of the essence, in which case, such action can be taken at the request of the Administrative Agent. The Administrative Agent shall incur no liability under or in respect of this Agreement with respect to anything which it may do or refrain from doing in the reasonable exercise of its judgment or which may seem to it to be necessary or desirable in the circumstances, except for its gross negligence or willful misconduct as determined by a final, non-appealable judicial order of a court having jurisdiction over the subject matter.

(b) The Administrative Agent shall not be liable to the Banks or to any Bank or to either Borrower or any of its Subsidiaries in acting or refraining from acting under this Agreement or any other Loan Document in accordance with the instructions of the Majority Banks (or, where expressly required, all of the Banks), and any action taken or failure to act pursuant to such instructions shall be binding on all of the Banks, except for its gross negligence or willful misconduct as determined by a final, non-appealable judicial order of a court having jurisdiction over the subject matter. The Administrative Agent shall not be obligated to take any action which is contrary to law or which would in its reasonable opinion subject it to liability.

Section 9.8 Notice of Default or Event of Default. In the event that the

Administrative Agent or any Bank shall acquire actual knowledge, or shall have been notified, of any Default or Event of Default, the Administrative Agent or such Bank shall promptly notify the Banks (provided, however, that the failure

to give such notice shall not result in any liability on the part of such Bank or Administrative Agent), and the Administrative Agent shall take such action and assert such rights under this Agreement and the other Loan Documents as the Majority Banks shall request in writing, and the Administrative Agent shall not be subject to any liability by reason of its acting pursuant to any such request. If the Majority Banks shall fail to request the Administrative Agent to take action or to assert rights under this Agreement or any other Loan Documents in respect of any Default or Event of Default within ten (10) days after their receipt of the notice of any Default or Event of Default from the Administrative Agent or any Bank, or shall request inconsistent action with respect to such Default or Event of Default, the Administrative Agent may, but shall not be required to, take such action and assert such rights (other than rights under Article 8 hereof) as it deems in its discretion to be advisable for the protection of the Banks, except that, if the Majority Banks have instructed the Administrative Agent not to take such action or assert such right, in no event shall the Administrative Agent act contrary to such instructions, unless there has been a change in circumstances and time is of the essence, in which case, the Administrative Agent may act in accordance with its reasonable discretion.

Section 9.9 Responsibility Disclaimed. The Administrative Agent shall not

be under any liability or responsibility whatsoever as Administrative Agent:

(a) To either Borrower or any other Person as a consequence of any failure or delay in performance by, or any breach by, any Bank or Banks of any of its or their obligations under this Agreement;

(b) To any Bank or Banks as a consequence of any failure or delay in performance by, or any breach by, (i) the Borrowers of any of their obligations under this Agreement or the Facility B Notes or any other Loan Document, or (ii) any Restricted Subsidiary or any other obligor under any other Loan Document;

(c) To any Bank or Banks, for any statements, representations or warranties in this Agreement, or any other document contemplated by this Agreement or any information provided pursuant to this Agreement, any other Loan Document, or any other document contemplated by this Agreement, or for the validity, effectiveness, enforceability or sufficiency of this Agreement, the Facility B Notes, any other Loan Document, or any other document contemplated by this Agreement; or

(d) To any Person for any act or omission other than that arising from gross negligence or willful misconduct of the Administrative Agent as determined by a final, non-appealable judicial order of a court of competent jurisdiction.

Section 9.10 Indemnification. The Banks agree to indemnify the

Administrative Agent (to the extent not reimbursed by the Borrowers) pro rata according to their respective Facility B Commitment Ratios, from and against any and all liabilities, obligations, losses (other than the loss of principal, interest and fees hereunder in the event of a bankruptcy or out-of-court 'work-out' of the Facility B Loans), damages, penalties, actions, judgments, suits, costs, expenses (including, without limitation, fees and expenses of experts, agents, consultants and counsel), or disbursements of any kind or 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 other Loan Document, or any other document contemplated by this Agreement or any other Loan Document or any action taken or omitted by the Administrative Agent under this Agreement, any other Loan Document, or any other document contemplated by this Agreement, except that no Bank shall be liable to the Administrative Agent for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, or disbursements resulting from the gross negligence or willful misconduct of the Administrative Agent as determined by a final, non-appealable judicial order of a court having jurisdiction over the subject matter.

Section 9.11 Credit Decision. Each Bank represents and warrants to each

other and to the Administrative Agent that:

(a) In making its decision to enter into this Agreement and to make its portion of the Facility B Loans it has independently taken whatever steps it considers necessary to evaluate the financial condition and affairs of the Borrowers and that it has made an independent credit judgment, and that it has not relied upon the Administrative Agent or information provided by the Administrative Agent (other than information provided to the Administrative Agent by the Borrowers and forwarded by the Administrative Agent to the Banks); and

(b) So long as any portion of the Facility B Loans remains outstanding or such Bank has an obligation to make its portion of Advances hereunder, it will continue to make its own independent evaluation of the financial condition and affairs of the Borrowers.

Section 9.12 Successor Administrative Agent. Subject to the appointment

and acceptance of a successor Administrative Agent as provided below, the Administrative Agent may resign at any time by giving written notice thereof to the Banks and the Borrowers and may be removed at any time for cause by the Majority Banks. Upon any such resignation or removal, the Majority Banks shall have the right to appoint a successor Administrative Agent which appointment shall, prior to a Default, be subject to the consent of the Borrowers, acting reasonably. If (a) no successor Administrative Agent shall have been so appointed by the Majority Banks or (b) if appointed, no successor Administrative Agent shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent gave notice of resignation or the Majority Banks removed the retiring Administrative Agent, then the retiring Administrative Agent may, on behalf of the Banks, appoint a successor Administrative Agent which shall be any Bank or a commercial bank organized under the laws of the United States of America or any political subdivision thereof which has combined capital and reserves in excess of \$250,000,000 and which shall be reasonably acceptable to the Borrowers. Upon the acceptance of any appointment as 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, duties and obligations of the retiring Administrative Agent and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents. After any retiring Administrative Agent's resignation or removal hereunder as Administrative Agent the provisions of this Article 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. In the event that the Administrative Agent or any of its respective Affiliates ceases to be a Bank hereunder, such Person shall resign its agency hereunder.

Section 9.13 Delegation of Duties. The Administrative Agent may execute

any of its duties under the Loan Documents by or through agents or attorneys selected by it using reasonable care, and shall be entitled to advice of counsel concerning all matters pertaining to such duties.

Section 9.14 Collateral Agent. Each Bank and the Administrative Agent

Agent hereby irrevocably appoints and authorizes, and hereby agrees that it will require any transferee of any of its interest in its Facility B Loans and in its Facility B Notes irrevocably to appoint and authorize, the Collateral Agent to take such actions as its agent on its behalf and to exercise such powers under the Security Documents as are delegated by the terms thereof, together with such powers as are reasonably incidental thereto. Neither the Collateral Agent nor any of its directors, officers, employees, or agents shall be liable for any action taken or omitted to be taken by it or them under any of the Security Documents or in connection therewith, except for its or their own gross negligence or willful misconduct as determined by a final non-appealable judicial order of a court of competent jurisdiction. The Collateral

Agent may execute any of its duties under the Loan Documents by or through agents or attorneys selected by it using reasonable care and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Collateral Agent shall not be responsible to any Bank for the negligence or misconduct of any agents or attorneys selected by it with reasonable care. The Collateral Agent may treat each Bank, or the Person designated in the last notice filed with the Administrative Agent under Section 9.3 of this Agreement, as the holder of all of the interests of such Bank in its Facility B Loans and in its Facility B Notes until written notice of transfer, signed by such Bank (or the Person designated in the last notice filed with the Administrative Agent) and by the Person designated in such written notice of transfer, in form and substance satisfactory to the Administrative Agent, shall have been filed with the Administrative Agent. The Collateral Agent may consult with legal counsel selected by it and shall not be liable for any action taken or suffered by it in good faith in reliance thereon. The Collateral Agent shall not be under any duty to examine, inquire into, or pass upon the validity, effectiveness, or genuineness of any Security Document or other document, or communication furnished pursuant thereto or in connection therewith, and the Collateral Agent shall be entitled to assume that they are valid, effective, and genuine, have been signed or sent by the proper parties, and are what they purport to be. The Collateral Agent shall be entitled to use its discretion with respect to exercising or refraining from exercising any rights which may be vested in it by, and with respect to taking or refraining from taking any action or actions which it may be able to take under or in respect of, any Security Document, unless the Collateral Agent shall have been instructed by the Required Lenders to exercise or refrain from exercising such rights or to take or refrain from taking such action, provided that the Collateral Agent shall not exercise any rights under any Security Document without the request of the Required Lenders unless time is of the essence, in which case, such action can be taken. The Collateral Agent shall incur no liability under or in respect of any Security Document with respect to anything which it may do or refrain from doing in the reasonable exercise of its judgment or which may seem to it to be necessary or desirable in the circumstances, except for its gross negligence or willful misconduct as determined by a final, non-appealable judicial order of a court of competent jurisdiction. The Collateral Agent shall not be liable to the Banks or to any Bank in acting or refraining from acting under any Security Document in accordance with the instructions of the Required Lenders, and any action taken or failure to act pursuant to such instructions shall be binding on all Banks. The Collateral Agent shall not be obligated to take any action which is contrary to law or which would in its reasonable opinion subject it to liability. All indemnity provisions herein that pertain to the Administrative Agent shall apply equally to the Collateral Agent. Each Bank and the Administrative Agent hereby agree that the Obligations are to be secured *pari passu* with all "Obligations"@

under the ATS Facility A Loan Agreement and that all Collateral now or hereafter delivered as security for the Obligations shall be held by the Collateral Agent (or delivered to the Collateral Agent, if received by any Bank) in accordance with the Security Documents.

Section 9.15 Successor Collateral Agent Subject to the appointment and

acceptance of a successor Collateral Agent as provided below, the Collateral Agent may resign at any time by giving written notice thereof to the Banks and the Borrowers and may be removed at any time for cause by the Required

Lenders. Upon any such resignation or removal, the Required Lenders shall have the right to appoint a successor Collateral Agent. If no successor Collateral Agent shall have been so appointed by the Required Lenders, and shall have accepted such appointment within thirty (30) days after the retiring Collateral Agent's giving of notice of resignation or the Required Lenders' removal of the retiring Collateral Agent, then the retiring Collateral Agent may, on behalf of the Banks, appoint a successor Collateral Agent which shall be any Bank or a commercial bank organized under the laws of the United States of America or any political subdivision thereof which has combined capital and reserves in excess of \$250,000,000. Upon the acceptance of any appointment as Collateral Agent hereunder by a successor Collateral Agent, such successor Collateral Agent shall thereupon succeed to and become vested with all the rights, powers, privileges, duties, and obligations of the retiring Collateral Agent, and the retiring Collateral Agent shall be discharged from its duties and obligations hereunder. After any retiring Collateral Agent's resignation or removal hereunder as Collateral Agent, the provisions of this Section 9.15 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 Collateral Agent.

Section 9.16 Collateral Actions. Each of the parties hereto acknowledges

and agrees that all provisions herein and under any Security Document relating to rights and remedies under any Security Document shall be exercised only upon the direction of the Required Lenders (except as expressly set forth in Section 9.14 hereof), and that the provisions of this Section 9.16 may not be amended except with the consent of the Required Lenders, provided however, that the

Majority Banks (or , as provided in Section 11.12 hereof all Banks) shall determine whether any collateral for the Obligations hereunder may be released.

ARTICLE 10 Changes in Circumstances Affecting LIBOR Advances

Section 10.1 LIBOR Basis Determination Inadequate or Unfair. If with

respect to any proposed LIBOR Advance for any Interest Period, the Administrative Agent determines after consultation with the Banks that deposits in dollars (in the applicable amount) are not being offered to each of the Banks in the relevant market for such Interest Period, the Administrative Agent shall forthwith give notice thereof to the Borrowers and the Banks, whereupon until the Administrative Agent notifies the Borrowers that the circumstances giving rise to such situation no longer exist, the obligations of any affected Bank to make its portion of such LIBOR Advances shall be suspended.

Section 10.2 Illegality. If after the date hereof, the adoption of any

Applicable Law, or any change in any Applicable Law (whether adopted before or after the Agreement Date), or any change in interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof,

or compliance by any Bank with any directive (whether or not having the force of law) of any such authority, central bank or comparable agency, shall make it unlawful or impossible for any Bank to make, maintain or fund its portion of LIBOR Advances, such Bank shall so notify the Administrative Agent, and the Administrative Agent shall forthwith give notice thereof to the other Banks and the Borrowers. Before giving any notice to the Administrative Agent pursuant to this Section 10.2, such Bank shall designate a different lending office if such designation will avoid the need for giving such notice and will not, in the sole reasonable judgment of such Bank, be otherwise materially disadvantageous to such Bank. Upon receipt of such notice, notwithstanding anything contained in Article 2 hereof, the Borrowers shall repay in full the then outstanding principal amount of such Bank's portion of each affected LIBOR Advance, together with accrued interest thereon, on either (a) the last day of the then current Interest Period applicable to such affected LIBOR Advances if such Bank may lawfully continue to maintain and fund its portion of such LIBOR Advance to such day or (b) immediately if such Bank may not lawfully continue to fund and maintain its portion of such affected LIBOR Advances to such day. Concurrently with repaying such portion of each affected LIBOR Advance, the Borrowers may borrow a Base Rate Advance from such Bank, whether or not it would have been entitled to effect such borrowing, and such Bank shall make such Advance, if so requested, in an amount such that the outstanding principal amount of the affected Facility B Note held by such Bank shall equal the outstanding principal amount of such Facility B Note or Facility B Notes immediately prior to such repayment.

Section 10.3 Increased Costs.

(a) If after the date hereof, the adoption of any Applicable Law, or any change in any Applicable Law (whether adopted before or after the Agreement Date), or any interpretation or change in interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof or compliance by any Bank with any directive (whether or not having the force of law) of any such authority, central bank or comparable agency:

(1) shall subject any Bank to any tax, duty or other charge with respect to its obligation to make its portion of LIBOR Advances, or its portion of other Advances, or shall change the basis of taxation of payments to any Bank of the principal of or interest on its portion of LIBOR Advances or in respect of any other amounts due under this Agreement, or its obligation to make its portion of Advances (except for changes in the rate or method of calculation of tax on the revenues or net income of such Bank); or

(2) shall impose, modify or deem applicable any reserve (including, without limitation, any imposed by the Board of Governors of the Federal Reserve System, but excluding any included in an applicable Eurodollar Reserve Percentage), special deposit, capital adequacy, assessment or other requirement or condition

against assets of, deposits with or for the account of, or commitments or credit extended by, any Bank or shall impose on any Bank or the London interbank borrowing market any other condition affecting its obligation to make its portion of such LIBOR Advances or its portion of existing Advances;

and the result of any of the foregoing is to increase the cost to such Bank of making or maintaining any of its portion of LIBOR Advances, or to reduce the amount of any sum received or receivable by such Bank under this Agreement or under its Facility B Note with respect thereto, then, within ten (10) days after demand by such Bank, the Borrowers agree to pay to such Bank such additional amount or amounts as will compensate such Bank for such increased costs. All payments made by the Borrowers under this Agreement shall, as set forth above, be made free and clear of, and without deduction or withholding for or on account of, any present or future income, stamp, or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any governmental authority excluding net income taxes and franchise taxes (imposed in lieu of net income taxes) imposed on any Bank as a result of present or former connection between such Person and the jurisdiction of the governmental authority imposing such tax or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from such Person having executed, delivered or performed its obligations or received a payment under, or enforced, this Agreement or any other Loan Document). If any such non-excluded taxes, levies, imposts, duties, charges, fees, deductions or withholdings ("Non-Excluded Taxes") are required to be withheld from any amounts payable to any Bank hereunder, the amounts so payable to such Person shall be increased to the extent necessary to yield to such Person (after payment of all Non-Excluded Taxes) interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Agreement; provided, however, that the Borrowers shall not be required to increase any such amounts payable to any Bank that is not organized under the laws of the United States of America or a state thereof if such Person fails to comply with the requirements of Section 2.13 of this Agreement. Whenever any Non-Excluded Taxes are payable by the Borrowers, as promptly as possible thereafter the Borrowers shall send to the Administrative Agent for its own account or for the account of such Bank, as the case may be, a certified copy of an original official receipt received by the Borrowers showing payment thereof. If the Borrowers fail to pay any Non-Excluded Taxes when due to the appropriate taxing authority or fails to remit to the Administrative Agent the required receipts or other documentary evidence, the Borrowers shall indemnify the Administrative Agent and the Banks for any incremental taxes, interest or penalties that may become payable by the Administrative Agent or any Bank as result of any such failure. The Borrowers shall make any payments required pursuant to the immediately preceding sentence within thirty (30) days after receipt of written demand therefor from the Administrative Agent or any Bank, as the case may be. The agreements set forth in this 10.3 shall survive the termination of this Agreement and the payment of the Obligations. Each Bank will promptly notify the Borrowers and the Administrative Agent of any event of which it has knowledge, occurring after the date hereof, which will entitle such Bank to compensation pursuant to this Section

10.3 and will designate a different lending office if such designation will avoid the need for, or reduce the amount of, such compensation and will not, in the sole reasonable judgment of such Bank made in good faith, be otherwise disadvantageous to such Bank. Notwithstanding any provision herein to the contrary, the Borrowers shall have no obligation to pay to any Bank any amount which the Borrowers are liable to withhold due to the failure of such Bank to file any statement of exemption required under the Code.

(b) Any Bank claiming compensation under this Section 10.3 shall provide the Borrowers with a written certificate setting forth the additional amount or amounts to be paid to it hereunder and calculations therefor in reasonable detail. Such certificate shall be presumptively correct absent manifest error. In determining such amount, such Bank may use any reasonable averaging and attribution methods. If any Bank demands compensation under this Section 10.3, the Borrowers may at any time, upon at least five (5) Business Days' prior notice to such Bank, prepay in full such Bank's portion of the then outstanding LIBOR Advances, together with accrued interest and fees thereon to the date of prepayment, along with any reimbursement required under Section 2.10 hereof and this Section 10.3. Concurrently with prepaying such portion of LIBOR Advances the Borrowers may, whether or not then entitled to make such borrowing, borrow a Base Rate Advance, or a LIBOR Advance not so affected, from such Bank, and such Bank shall, if so requested, make such Advance in an amount such that the outstanding principal amount of the affected Facility B Note or Facility B Notes held by such Bank shall equal the outstanding principal amount of such Facility B Note or Facility B Notes immediately prior to such prepayment.

Section 10.4 Effect On Other Advances. If notice has been given pursuant

to Section 10.1, 10.2 or 10.3 hereof suspending the obligation of any Bank to make its portion of any type of LIBOR Advance, or requiring such Bank's portion of LIBOR Advances to be repaid or prepaid, then, unless and until such Bank notifies the Borrowers that the circumstances giving rise to such repayment no longer apply, all amounts which would otherwise be made by such Bank as its portion of LIBOR Advances shall be instead as Base Rate Advances, unless otherwise notified by either of the Borrowers.

ARTICLE 11 Miscellaneous

Section 11.1 Notices.

(a) Except as otherwise expressly provided herein, all notices and other communications under this Agreement and the other Loan Documents (unless otherwise specifically stated therein) shall be in writing and shall be deemed to have been given three (3) Business Days after deposit in the mail, designated as certified mail, return receipt requested, postage-prepaid, or one (1) Business Day after being entrusted to a reputable commercial overnight delivery service for next day delivery, or when sent on a Business Day prior to 5:00 p.m. (New York, New York time) by telecopy addressed to the party to which such notice is directed at its address determined as provided in this Section 11.1. All notices and other communications under this Agreement shall be given to the parties hereto at the following addresses:

(i) If to the Borrowers, to them at:

American Tower Systems (Delaware), Inc.
American Tower Systems, L.P.
116 Huntington Avenue
Boston, Massachusetts 02111
Attn: Joseph B. Winn, Chief Financial Officer

with copies to:

Sullivan & Worcester LLP
One Post Office Square
Boston, Massachusetts 02110
Attn: Norman A. Bikales, Esq.

(ii) If to the Administrative Agent, to it at:

Toronto Dominion (Texas), Inc.
909 Fannin Street, Suite 1700
Houston, Texas 77010
Attention: Agency Department

with a copy to:

The Toronto-Dominion Bank
Toronto Dominion Securities, Inc.
USA Division
31 West 52nd Street
New York, NY 10019-6101
Attn: Managing Director, Communications Finance

and with a copy to:

Powell, Goldstein, Frazer & Murphy LLP
Sixteenth Floor
191 Peachtree Street, N.E.
Atlanta, Georgia 30303
Attn: Douglas S. Gosden, Esq.

(iii) If to the Banks, to them at the addresses set forth beside their names as set forth in Schedule 9 attached hereto.

The failure to provide copies shall not affect the validity of the notice given to the primary recipient.

(b) Any party hereto may change the address to which notices shall be directed under this Section 11.1 by giving ten (10) days' written notice of such change to the other parties.

Section 11.2 Expenses. The Borrowers will promptly pay, or reimburse:

(a) all reasonable out-of-pocket expenses of the Administrative Agent in connection with the preparation, negotiation, execution and delivery of this Agreement and the other Loan Documents, and the transactions contemplated hereunder and thereunder and the making of the initial Advance hereunder (whether or not such Advance is made), including the reasonable fees and disbursements of Powell, Goldstein, Frazer & Murphy LLP, Atlanta, Georgia, special counsel for the Administrative Agent; and

(b) all reasonable out-of-pocket costs and expenses of the Administrative Agent and the Banks of enforcement under this Agreement or the other Loan Documents and all reasonable out-of-pocket costs and expenses of collection if an Event of Default occurs in the payment of the Facility B Notes, which in each case shall include, without limitation, reasonable fees and out-of-pocket expenses of counsel for the Administrative Agent and the Banks.

Section 11.3 Waivers. The rights and remedies of the Administrative Agent

and the Banks under this Agreement and the other Loan Documents shall be cumulative and not exclusive of any rights or remedies which they would otherwise have. No failure or delay by the Administrative Agent, the Majority Banks, or the Banks, or any of them, in exercising any right, shall operate as a waiver of such right. The Administrative Agent and the Banks expressly reserve the right to require strict compliance with the terms of this Agreement in connection with any future funding of a Request for Advance. In the event the Banks decide to fund a Request for Advance at a time when the Borrowers are not in strict compliance with the terms of this Agreement, such decision by the Banks shall not be deemed to constitute an undertaking by the Banks to fund any further Request for Advance or preclude the Banks or the Administrative Agent from exercising any rights available under the Loan Documents or at law or equity. Any waiver or indulgence granted by the Administrative Agent, the Banks, or the Majority Banks, shall not constitute a modification of this Agreement or any other Loan Document, except to the extent expressly provided in such waiver or indulgence, or constitute a course of dealing at variance with the terms of this Agreement or any other Loan Document such as to require further notice of their intent to require strict adherence to the terms of this Agreement or any other Loan Document in the future.

Section 11.4 Set-Off. In addition to any rights now or hereafter granted

under Applicable Law and not by way of limitation of any such rights, upon the occurrence of an Event of Default and during the continuation thereof, the Administrative Agent and each of the Banks are hereby authorized by the Borrowers at any time or from time to time, without notice to the Borrowers or to any other Person, any such notice being, to the extent permitted by Applicable Law, hereby expressly waived, to set off and to appropriate and to apply any and all deposits (general or special, time or demand, including, but not limited to, Indebtedness evidenced by certificates of deposit, in each case whether matured or unmatured) and any other Indebtedness at any time held or owing by any Bank or Administrative Agent, to or for the credit or the account of the Borrowers or any Restricted Subsidiary, against and on account of the obligations and liabilities of the Borrowers to the Banks and the Administrative Agent, including, without limitation, all Obligations and any other claims of any nature or description arising out of or connected with this Agreement, the Facility B Notes or any other Loan Document, irrespective of whether (a) any Bank or Administrative Agent shall have made any demand hereunder or (b) any Bank or Administrative Agent shall have declared the principal of and interest on the Facility B Loans and other amounts due hereunder to be due and payable as permitted by Section 8.2 hereof and although such obligations and liabilities or any of them shall be contingent or unmatured. Upon direction by the Administrative Agent with the consent of all of the Banks, each Bank holding deposits of either Borrower or any Restricted Subsidiary shall exercise its set-off rights as so directed; and, within one (1) Business Day following any such setoff, the Administrative Agent shall give notice thereof to the Borrowers. Notwithstanding anything to the contrary contained in this Section 11.4, no Bank shall exercise any right of offset without the prior consent of the Majority Banks so long as the Obligations shall be secured by any real property or real property interest including leaseholds located in the State of

California, it being understood and agreed that the provisions of this sentence are for the exclusive benefit of the Banks, may be amended, modified or waived by the Majority Banks without notice to or consent of the Borrowers or any Subsidiary and shall not constitute a waiver of any rights against the Borrowers or any Subsidiary or against any Collateral.

Section 11.5 Assignment and Participation.

(a) Neither Borrower may assign or transfer any of its rights or obligations hereunder, under the Notes or under any other Loan Document without the prior written consent of each Bank.

(b) Each Bank may sell (i) assignments of any amount of its interest hereunder to any Bank, or (ii) assignments or participations of up to one hundred percent (100%) of its interest hereunder to (A) one (1) or more wholly-owned Affiliates of such Bank or Approved Funds (provided, however, that if such

Affiliate is not a financial institution, such Bank shall be obligated to repurchase such assignment if such Affiliate is unable to honor its obligations hereunder), or (B) 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 (provided, however, that

no such assignment shall relieve such Bank from its obligations hereunder).

(c) Each of the Banks may at any time enter into assignment agreements or participations with one or more other Banks, Approved Funds or other Persons pursuant to which each Bank may assign or participate its interest under this Agreement and the other Loan Documents, including its interest in any particular Advance or portion thereof; provided, however, that (1) all assignments (other

than assignments described in Section 11.5(b) hereof) shall be in minimum principal amounts of the lesser of (X) \$5,000,000, and (Y) the amount of such Bank's Facility B Commitment (in a single assignment only), and (2) all assignments (other than assignments described in Section 11.5(b) hereof) and participations hereunder shall be subject to the following additional terms and conditions:

(i) No assignment (except assignments permitted in Section 11.5(b) hereof) shall be sold without the prior consent of the Administrative Agent and prior to the occurrence and continuation of an Event of Default, the consent of the Borrowers, which consents shall not be unreasonably withheld;

(ii) Any Person purchasing a participation or an assignment of any portion of the Facility B Loans from any Bank shall be required to represent and warrant that its purchase shall not constitute a "prohibited transaction" (as defined in Section 4.1(m) hereof);

(iii) The Borrowers, the Banks, and the Administrative Agent agree that assignments permitted hereunder (including the assignment of any Advance or portion thereof) may be made with all voting rights, and shall be made pursuant to an Assignment and Assumption Agreement substantially in the form of Exhibit T attached hereto. An administrative fee of \$3,500

shall be payable to the Administrative Agent either by the assigning Bank or the assignee thereof at the time of any assignment under this Section 11.5(c);

(iv) No participation agreement shall confer any rights under this Agreement or any other Loan Document to any purchaser thereof, or relieve any issuing Bank from any of its obligations under this Agreement, and all actions hereunder shall be conducted as if no such participation had been granted; provided, however, that any participation agreement may

confer on the participant the right to approve or disapprove decreases in the interest rate, increases in the principal amount of the Facility B Loans participated in by such participant, decreases in fees, extensions of the Termination Date, or, if applicable, the Maturity Date or other principal payment date for the Facility B Loans or of the scheduled reduction of the Facility B Commitment and releases of Collateral;

(v) Each Bank agrees to provide the Administrative Agent and the Borrowers with prompt written notice of any issuance of assignments of its interests hereunder;

(vi) No assignment, participation or other transfer of any rights hereunder or under the Facility B Notes shall be effected that would result in any interest requiring registration under the Securities Act of 1933, as amended, or qualification under any state securities law;

(vii) No such assignment may be made to any bank or other financial institution (x) with respect to which a receiver or conservator (including, without limitation, the Federal Deposit Insurance Corporation, the Resolution Trust Company or the Office of Thrift Supervision) has been appointed or (y) that is not "adequately capitalized" (as such term is defined in Section 131(b)(1)(B) of the Federal Deposit Insurance Corporation Improvement Act as in effect on the Agreement Date); and

(viii) If applicable, each Bank shall, and shall cause each of its assignees to, provide to the Administrative Agent on or prior to the effective date of any assignment an appropriate Internal Revenue Service form as required by Applicable Law supporting such Bank's or assignee's position that no withholding by either Borrower or the Administrative Agent for U.S. income tax payable by such Bank or assignee in respect of amounts received by it hereunder is required. For purposes of this Agreement, an appropriate Internal Revenue Service form shall mean Form 1001 (Ownership Exemption or Reduced Rate Certificate of the U.S.

Department of Treasury), or Form 4224 (Exemption from Withholding of Tax on Income Effectively Connected with the Conduct of a Trade or Business in the United States), or any successor or related forms adopted by the relevant U.S. taxing authorities.

(d) Except as specifically set forth in Section 11.5(b) or (c) hereof, nothing in this Agreement or the Facility B Notes, expressed or implied, is intended to or shall confer on any Person other than the respective parties hereto and thereto and their successors and assignees permitted hereunder and thereunder any benefit or any legal or equitable right, remedy or other claim under this Agreement or the Facility B Notes.

(e) In the case of any participation, all amounts payable by the Borrowers under the Loan Documents shall be calculated and made in the manner and to the parties hereto as if no such participation had been sold.

(f) The provisions of this Section 11.5 shall not apply to any purchase of participations among the Banks pursuant to Section 2.11 hereof.

(g) The Administrative Agent, acting, for this purpose only, as agent of the Borrowers shall maintain, at no extra charge to the Borrowers, a register (the "Register") at the address to which notices to the Administrative Agent are to be sent under Section 11.1 hereof on which Register the Administrative Agent shall enter the name, address and taxpayer identification number (if provided) of the registered owner of the Facility B Loans evidenced by a Registered Note or, upon the request of the registered owner, for which a Registered Note has been requested. A Registered Note and the Facility B Loans evidenced thereby may be assigned or otherwise transferred in whole or in part only by registration of such assignment or transfer of such Registered Note and the Facility B Loans evidenced thereby on the Register. Any assignment or transfer of all or part of such Facility B Loans and the Registered Note evidencing the same shall be registered on the Register only upon compliance with the other provisions of this Section 11.5 and surrender for registration of assignment or transfer of the Registered Note evidencing such Facility B Loans, duly endorsed by (or accompanied by a written instrument of assignment or transfer duly executed by) the Registered Noteholder thereof, and thereupon one or more new Registered Notes in the same aggregate principal amount shall be issued to the designated assignee(s) or transferee(s) and, if less than the aggregate principal amount of such Registered Notes is thereby transferred, the assignor or transferor. Prior to the due presentment for registration of transfer of any Registered Note, the Borrowers and the Administrative Agent shall treat the Person in whose name such Facility B Loans and the Registered Note evidencing the same is registered as the owner thereof for the purpose of receiving all payments thereon and for all other purposes, notwithstanding any notice to the contrary.

(h) The Register shall be available for inspection by the Borrowers and any Bank at any reasonable time during the Administrative Agent's regular business hours upon reasonable prior notice.

(i) Notwithstanding any other provision in this Agreement, any Bank that is a fund that invests in bank loans may, without the consent of the Administrative Agent or the Borrowers, pledge all or any portion of its rights under, and interest in, this Agreement and the Facility B Notes to any trustee or to any other representative of holders of obligations owed or securities issued, by such fund as security for such obligations or securities; provided, -----
however, that any transfer to any Person upon the enforcement of such pledge or -----
security interest may only be made subject to the assignment provisions of this Section 11.5.

Section 11.6 Accounting Principles. All references in this Agreement to -----

GAAP shall be to such principles as in effect from time to time. All accounting terms used herein without definition shall be used as defined under GAAP. All references to the financial statements of the Borrowers and to their Annualized Operating Cash Flow, Operating Cash Flow, Senior Debt, Total Debt, Fixed Charges, Pro Forma Debt Service, Interest Expense, and other such terms shall be deemed to refer to such items of the Borrowers and the Restricted Subsidiaries, on a fully consolidated basis. The Borrowers shall deliver to the Banks at the same time as the delivery of any quarterly or annual financial statements required pursuant to Section 6.1 or 6.2 hereof, as applicable, (a) a description in reasonable detail of any material variation between the application of GAAP employed in the preparation of such statements and the application of GAAP employed in the preparation of the next preceding quarterly or annual financial statements, as applicable, and (b) reasonable estimates of the differences between such statements arising as a consequence thereof. If, within thirty (30) days after the delivery of the quarterly or annual financial statements referred to in the immediately preceding sentence, the Majority Banks shall object in writing to the Borrowers' determining compliance hereunder on such basis, (1) calculations for the purposes of determining compliance hereunder shall be made on a basis consistent with those used in the preparation of the latest financial statements as to which such objection shall not have been made, or (2) if requested by the Borrowers, the Majority Banks will negotiate in good faith to amend the covenants herein to give effect to the changes in GAAP in a manner consistent with this Agreement (and so long as the Borrowers comply in good faith with the provisions of this Section 11.6, no Default or Event of Default shall occur hereunder solely as a result of such changes in GAAP).

Section 11.7 Counterparts. This Agreement may be executed in any number -----

of counterparts, each of which shall be deemed to be an original, but all such separate counterparts shall together constitute but one and the same instrument.

Section 11.8 Governing Law. This Agreement and the Facility B Notes shall -----

be construed in accordance with and governed by the internal laws of the State of New York applicable to agreements made and to be performed the State of New York. If any action or proceeding shall be brought by the Administrative Agent or any Bank hereunder or under any other Loan Document in order to enforce any right or remedy under this Agreement or under any Facility B Note or any other Loan Document, each of the Borrowers hereby consents and

will, and each of the Borrowers will cause each Restricted Subsidiary to, submit to the jurisdiction of any state or federal court of competent jurisdiction sitting within the area comprising the Southern District of New York on the date of this Agreement. Each of the Borrowers, for itself and on behalf of its Restricted Subsidiaries, hereby agrees that, to the extent permitted by Applicable Law, service of the summons and complaint and all other process which may be served in any such suit, action or proceeding may be effected by mailing by registered mail a copy of such process to the offices of the Borrowers at the address given in Section 11.1 hereof and that personal service of process shall not be required. Nothing herein shall be construed to prohibit service of process by any other method permitted by law, or the bringing of any suit, action or proceeding in any other jurisdiction. The Borrowers agree that final judgment in such suit, action or proceeding shall be conclusive and may be enforced in any other jurisdiction by suit on the judgment or in any other manner provided by Applicable Law.

Section 11.9 Severability. Any provision of this Agreement which is

prohibited or unenforceable in any jurisdiction shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof in that jurisdiction or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 11.10 Interest.

(a) In no event shall the amount of interest due or payable hereunder or under the Facility B Notes exceed the maximum rate of interest allowed by Applicable Law, and in the event any such payment is inadvertently made by the Borrowers or inadvertently received by the Administrative Agent or any Bank, then such excess sum shall be credited as a payment of principal, unless the Borrowers shall notify the Administrative Agent or such Bank, in writing, that it elects to have such excess sum returned forthwith. It is the express intent hereof that the Borrowers not pay and the Administrative Agent and the Banks not receive, directly or indirectly in any manner whatsoever, interest in excess of that which may legally be paid by the Borrowers under Applicable Law.

(b) Notwithstanding the use by the Banks of the Base Rate and the LIBOR as reference rates for the determination of interest on the Facility B Loans, the Banks shall be under no obligation to obtain funds from any particular source in order to charge interest to the Borrowers at interest rates related to such reference rates.

Section 11.11 Table of Contents and Headings. The Table of Contents and

the headings of the various subdivisions used in this Agreement are for convenience only and shall not in any way modify or amend any of the terms or provisions hereof, nor be used in connection with the interpretation of any provision hereof.

Section 11.12 Amendment and Waiver. Neither this Agreement nor any Loan

Document nor any term hereof or thereof may be amended orally, nor may any provision

hereof or thereof be waived orally but only by an instrument in writing signed by or at the direction of the Majority Banks and, in the case of an amendment, by the Borrowers, except that in the event of (a) any increase in the amount of any Bank's portion of the Facility B Commitment, (b) any delay or extension in the terms of repayment of the Facility B Loans provided in Section 2.5 or 2.7 hereof, (c) any reduction in principal, interest or fees due hereunder or postponement of the payment thereof without a corresponding payment of such principal, interest or fee amount by the Borrowers, (d) any release of any portion of the Collateral for the Facility B Loans, except under Section 7.4 hereof, (e) any waiver of any Default due to the failure by the Borrowers to pay any sum due to any of the Banks hereunder, (f) any release of any Guaranty of all or any portion of the Obligations, except in connection with a merger, sale or other disposition otherwise permitted hereunder (in which case, such release shall require no further approval by the Banks), (g) any amendment to the pro rata treatment of the Banks set forth in Section 2.11 hereof, or (h) any amendment of this Section 11.12, of the definition of Majority Banks, or of any Section herein to the extent that such Section requires action by all Banks, any amendment or waiver or consent may be made only by an instrument in writing signed by each of the Banks and, in the case of an amendment, by the Borrowers. Any amendment to any provision hereunder governing the rights, obligations, or liabilities of the Administrative Agent in its capacity as such, may be made only by an instrument in writing signed by such affected Person and by each of the Banks.

Section 11.13 Entire Agreement. Except as otherwise expressly provided

herein, this Agreement, the Other Loan Documents and the other documents described or contemplated herein or therein will embody the entire agreement and understanding among the parties hereto and thereto and supersede all prior agreements and understandings relating to the subject matter hereof and thereof.

Section 11.14 Other Relationships. No relationship created hereunder or

under any other Loan Document shall in any way affect the ability of the Administrative Agent and each Bank to enter into or maintain business relationships with either Borrower or any Affiliate beyond the relationships specifically contemplated by this Agreement and the other Loan Documents.

Section 11.15 Directly or Indirectly. If any provision in this Agreement

refers to any action taken or to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person, whether or not expressly specified in such provision.

Section 11.16 Reliance on and Survival of Various Provisions. All

covenants, agreements, statements, representations and warranties made herein or in any certificate delivered pursuant hereto shall (a) be deemed to have been relied upon by the Administrative Agent and each of the Banks notwithstanding any investigation heretofore or hereafter made by them and (b) survive the execution and delivery of the Facility B Notes and shall continue

in full force and effect so long as any Facility B Note is outstanding and unpaid. Any right to indemnification hereunder, including, without limitation, rights pursuant to Sections 2.10, 2.12, 5.12, 10.3 and 11.2 hereof, shall survive the termination of this Agreement and the payment and performance of all Obligations.

Section 11.17 Senior Debt. The Obligations are secured by the Security

Documents and are intended by the parties hereto to be in parity with the Interest Hedge Agreements and senior in right of payment to all other Indebtedness of the Borrowers.

Section 11.18 Obligations. The obligations of the Administrative Agent

and each of the Banks hereunder are several, not joint.

Section 11.19 Confidentiality. The Banks shall hold all non-public,

proprietary or confidential information (which has been identified as such by the Borrowers) obtained pursuant to the requirements of this Agreement in accordance with their customary procedures for handling confidential information of this nature and in accordance with safe and sound banking practices; provided, however, that the Banks may make disclosure of any such information to

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their examiners, Affiliates, any Approved Fund, outside auditors, counsel, consultants, appraisers and other professional advisors in connection with this Agreement or as reasonably required by any proposed syndicate member or any proposed transferee or participant in connection with the contemplated transfer of any Facility B Note or participation therein or as required or requested by any governmental authority or representative thereof or in connection with the enforcement hereof or of any Loan Document or related document or pursuant to legal process or with respect to any litigation between or among either Borrower and any of the Banks, so long as the person (other than any examiners) receiving such information is advised of the provisions of this Section 11.19 and agrees to be bound thereby. In no event shall any Bank be obligated or required to return any materials furnished to it by the Borrowers. The foregoing provisions shall not apply to a Bank with respect to information that (i) is or becomes generally available to the public (other than through such Bank), (ii) is already in the possession of such Bank on a nonconfidential basis, or (iii) comes into the possession of such Bank in a manner not known to such Bank to involve a breach of a duty of confidentiality owing to the Borrowers.

ARTICLE 12 Waiver of Jury Trial

Section 12.1 Waiver of Jury Trial. EACH OF THE BORROWERS, FOR ITSELF AND

ON BEHALF OF THE RESTRICTED SUBSIDIARIES, AND THE ADMINISTRATIVE AGENT AND THE BANKS, HEREBY AGREE, TO THE EXTENT PERMITTED BY LAW, TO WAIVE AND HEREBY WAIVE THE RIGHT TO A TRIAL BY JURY IN ANY COURT AND IN ANY ACTION OR PROCEEDING OF ANY TYPE IN WHICH THE BORROWERS, ANY RESTRICTED SUBSIDIARIES, ANY OF THE BANKS, THE ADMINISTRATIVE AGENT OR ANY OF THEIR RESPECTIVE

SUCCESSORS OR ASSIGNS IS A PARTY, AS TO ALL MATTERS AND THINGS ARISING DIRECTLY OR INDIRECTLY OUT OF THIS AGREEMENT, ANY OF THE FACILITY B NOTES OR THE OTHER LOAN DOCUMENTS AND THE RELATIONS AMONG THE PARTIES LISTED IN THIS SECTION 12.1. EXCEPT AS PROHIBITED BY LAW, EACH PARTY TO THIS AGREEMENT WAIVES ANY RIGHTS IT MAY HAVE TO CLAIM OR RECOVER IN ANY LITIGATION REFERRED TO IN THIS SECTION, ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES OR ANY DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES. EACH PARTY TO THIS AGREEMENT (A) CERTIFIES THAT NEITHER ANY REPRESENTATIVE, AGENT OR ATTORNEY OF THE ADMINISTRATIVE AGENT OR ANY BANK HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE ADMINISTRATIVE AGENT OR ANY BANK WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVERS AND (B) ACKNOWLEDGES THAT IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND EACH OTHER LOAN DOCUMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION. THE PROVISIONS OF THIS SECTION HAVE BEEN FULLY DISCLOSED BY AND TO THE PARTIES AND THE PROVISIONS SHALL BE SUBJECT TO NO EXCEPTIONS. NO PARTY HAS IN ANY WAY AGREED WITH OR REPRESENTED TO ANY OTHER PARTY THAT THE PROVISIONS OF THIS SECTION WILL NOT BE FULLY ENFORCED IN ALL INSTANCES.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement or caused it to be executed by their duly authorized officers, all as of the day and year first above written.

BORROWERS:

AMERICAN TOWER SYSTEMS, L.P.

By ATSC GP, INC., its General Partner

By:_____

Title:_____

AMERICAN TOWER SYSTEMS (DELAWARE), INC.

By:_____

Title:_____

ADMINISTRATIVE AGENT
AND BANKS:

TORONTO DOMINION (TEXAS), INC., as
Administrative Agent for itself and the
Banks and as a Bank

By:_____

Title:_____

BANK OF AMERICA NATIONAL TRUST AND
SAVINGS ASSOCIATION, as a Bank

By:_____

Title:_____

BANK OF MONTREAL, as a Bank

By:_____

Title:_____

THE BANK OF NEW YORK, as a Bank

By:_____

Title:_____

THE BANK OF NOVA SCOTIA, as a Bank

By:_____

Title:_____

BANKBOSTON, N.A., as a Bank

By:_____

Title:_____

BANKERS TRUST COMPANY, as a Bank

By:_____

Title:_____

BARCLAYS BANK, PLC, as a Bank

By:_____

Title:_____

THE CHASE MANHATTAN BANK, as a Bank

By:_____

Title:_____

COBANK, ACB, as a Bank

By:_____

Title:_____

CREDIT LYONNAIS NEW YORK BRANCH, as a Bank

By:_____

Title:_____

CREDIT SUISSE FIRST BOSTON, as a Bank

By:_____

Title:_____

By:_____

Title:_____

CRESTAR BANK, as a Bank

By:_____

Title:_____

DRESDNER BANK AG, NEW YORK AND GRAND
CAYMAN BRANCHES, as a Bank

By: _____
Title: _____

By: _____
Title: _____

FIRST NATIONAL BANK, as a Bank

By: _____
Title: _____

FLEET NATIONAL BANK, as a Bank

By: _____
Title: _____

GENERAL ELECTRIC CAPITAL CORPORATION, as
a Bank

By: _____
Title: _____

KEY CORPORATE CAPITAL INC., as a Bank

By:_____

Title:_____

LEHMAN COMMERCIAL PAPER INC., as a Bank

By:_____

Title:_____

THE LONG-TERM CREDIT BANK OF JAPAN,
LTD., NEW YORK BRANCH, as a Bank

By:_____

Title:_____

MELLON BANK, N.A., as a Bank

By:_____

Title:_____

MERCANTILE BANK NATIONAL ASSOCIATION, as
a Bank

By: _____
Title: _____

MORGAN STANLEY SENIOR FUNDING, INC., as
a Bank

By: _____
Title: _____

NATIONAL BANK OF CANADA, as a Bank

By: _____
Title: _____

By: _____
Title: _____

PNC BANK, NATIONAL ASSOCIATION, as a
Bank

By: _____
Title: _____

SOCIETE GENERALE, NEW YORK BRANCH, as a Bank

By:_____

Title:_____

STATE STREET BANK AND TRUST COMPANY, as a Bank

By:_____

Title:_____

UNION BANK OF CALIFORNIA, N.A., as a Bank

By:_____

Title:_____

US TRUST, as a Bank

By:_____

Title:_____

ARS-ATS SEPARATION AGREEMENT

Agreement dated as of June 4, 1998 by and among American Radio Systems Corporation, a Delaware corporation ("American"), American Tower Systems Corporation, a Delaware corporation ("American Tower") and CBS Corporation (formerly Westinghouse Electric Corporation), a Pennsylvania corporation ("CBS").

W I T N E S S E T H:

WHEREAS, American, CBS and R Acquisition Corp., a Delaware corporation ("CBS Subsidiary"), are parties to an Amended and Restated Agreement and Plan of Merger, dated as of December 18, 1997, as amended (the "Merger Agreement"), pursuant to which CBS Subsidiary will merge (the "Merger") with and into American and American shall be the surviving corporation; and

WHEREAS, (i) CBS was not willing to enter into the Merger Agreement without assurances that the aggregate amount to be paid by CBS for the radio business of American, including without limitation the Cash Consideration, the aggregate principal amount of debt of American that would remain outstanding after giving effect to the Tower Separation, the aggregate liquidation preference of all preferred stock (other than the American Convertible Preferred Stock), and the tax liability of American with respect to the Tower Separation, would not exceed \$2.6 billion; (ii) American would not have been willing to enter into a Merger Agreement that would have provided for a direct adjustment in the Cash Consideration or the escrow of a portion of the Cash Consideration in order to satisfy that the purchase price to be paid by CBS, as aforesaid, would not exceed \$2.6 billion; and (iii) CBS and American agreed in the Merger Agreement that American Tower would assume and pay the tax liability of American with respect to the Tower Separation and pay certain purchase price adjustments in respect of working capital and other items, and American Tower intended such assumption and such payments to be on behalf of its stockholders who formerly owned stock or options to acquire stock of American; and

WHEREAS, the Merger Agreement provides that, prior to the Closing, American and American Tower shall enter into an agreement and other documentation approved by CBS (which approval shall not be unreasonably withheld, delayed or conditioned) to effect the delivery of the Tower Common Stock as part of the Tower Merger Consideration or the Merger Consideration, as the case may be (the "Tower Separation") and to implement American Tower's assumption of the tax liability and other purchase price adjustments of American with respect to the Tower Separation; and

WHEREAS, the Merger Agreement provides for the entry by CBS, American and American Tower into an agreement on substantially the terms hereinafter set forth providing for the Tower Separation; and

WHEREAS, the respective Boards of Directors of American and American Tower have approved, and CBS has approved, this Agreement;

NOW, THEREFORE, in consideration of the premises and the representations, warranties, covenants and agreements herein contained and other valuable consideration, the receipt and adequacy whereof are hereby acknowledged, the parties hereto hereby, intending to be legally bound, represent, warrant, covenant and agree as follows:

ARTICLE 1

DEFINED TERMS

As used herein, unless the context otherwise requires, the terms defined in Appendix A to the Merger Agreement when used in this Agreement without definition shall have the respective meanings set forth therein. Terms defined in the singular shall have a comparable meaning when used in the plural, and vice versa, and the reference to any gender shall be deemed to include all genders. Unless otherwise defined or the context otherwise clearly requires, terms for which meanings are provided in this Agreement or Appendix A to the Merger Agreement shall have such meanings when used in each Collateral Document executed or required to be executed pursuant hereto or thereto or otherwise delivered, from time to time, pursuant hereto or thereto. References to "hereof," "herein" or similar terms are intended to refer to the Agreement as a whole and not a particular section, and references to "this Section" or "this Article" are intended to refer to the entire section or article and not a particular subsection thereof.

"American Indemnitees" shall mean American, each Affiliate of

American, including any of its direct or indirect Subsidiaries, each of their directors, officers or employees and each of the heirs, executors, successors and assigns of any of the foregoing, other than the American Tower Indemnitees.

"American Tax Group" shall mean American and those of its

Subsidiaries as are included from time to time in the consolidated Federal income tax returns of American.

"American Tower Indemnitees" shall mean the Tower Subsidiaries, each

of their Affiliates, each of their directors, officers or employees and each of the heirs, executors, successors and assigns of any of the foregoing, other than the American Indemnitees.

"CBS Indemnitees" shall mean CBS, each Affiliate of CBS, including any

of its direct or indirect Subsidiaries (including, after the Effective Time, the American Indemnitees), each of their directors, officers or employees and each of the heirs, executors, successors and assigns of any of the foregoing.

"Indemnifiable Losses" shall mean, subject to Section 3.4, all losses

(including, without limitation, losses of benefits), liabilities, damages, deficiencies, obligations, fines, expenses, claims, demands, actions, suits, proceedings, judgments or settlements, whether or not resulting from Third Party Claims (as defined in Section 3.3(a)), including interest and penalties recovered by a third party with respect thereto and out-of-pocket expenses and reasonable attorneys' and accountants' fees and expenses incurred in the investigation or defense of any of the same or in asserting, preserving or enforcing any of the Indemnitee's rights hereunder, suffered or incurred by an Indemnitee.

"Indemnitee" shall mean any of the CBS Indemnitees, the American

Indemnitees or the American Tower Indemnitees who or which may seek indemnification under this Agreement.

ARTICLE 2

TOWER SEPARATION

Subject to the terms and conditions hereof, American, American Tower and CBS shall cause the Tower Separation to be consummated at the earlier to occur of the Tower Merger Effective Time and the Effective Time. The date on which the Tower Separation is so consummated is herein referred to as the "Separation Closing Date".

ARTICLE 3

INDEMNIFICATION MATTERS

3.1 American Tower Indemnification. American Tower shall indemnify,

defend and hold the CBS Indemnitees or the American Indemnitees harmless from and against any Indemnifiable Loss to which the CBS Indemnitees and the American Indemnitees may be or become subject that relate to or arise from:

(a) the assets, business, operations, debts or liabilities of American Tower Mergercorp or the Tower Subsidiaries (other than, in the case of the Tower Subsidiaries, Tax liabilities governed by Article 4) whether arising prior to, concurrent with or after the Merger, including, without limitation, the assets (or debts or liabilities associated therewith) to be transferred to American Tower pursuant to the provisions of Article 11;

(b) liabilities (i) in connection with the distribution of the shares of Tower Common Stock as part of the Tower Merger Consideration or the Merger Consideration, as the case may be, (ii) relating to or arising from any agreement, arrangement or understanding (other than the Merger Agreement and the Collateral Documents, except as otherwise expressly set forth therein) entered into by American, American Tower Mergercorp or any of the Tower Subsidiaries (x) for the benefit of any of the Tower Subsidiaries, (y) in contemplation of the Tower Separation, or (z) with respect to the sale, assignment, transfer or other disposition of shares of Tower Common Stock, (iii) relating to or arising from any untrue statement or alleged untrue statements of a material fact contained in the Information Statement, any Registration Statement or in any document filed or required to be filed, or any document delivered to any security holder of American, in connection with the Merger or the Tower Separation (or in any document containing information relating thereto), or in any document filed or required to be filed by American, American Tower Mergercorp or any of the Tower Subsidiaries in connection with the preceding clause (ii) (or in any document containing information relating thereto), or, in any such case, any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, except with respect to information provided by or relating solely to American (excluding American Tower Mergercorp and the Tower Subsidiaries) which is contained in or expressly consistent with (x) the Filed American SEC Documents, (y) the American September 10-Q or (z) any information (not relating to the Merger, the Tower Separation, the Tower Subsidiaries, the preceding clause (ii), the Merger Agreement, the Collateral Documents or the obligations thereunder) contained in (I) the Annual Report on Form 10-K of American for the fiscal year ended December 31, 1997, (II) the Convertible Registration Statement as of the Effective Time (including the Prospectus to be filed pursuant to Rule 424 under the Securities Act containing the Quarterly Report on Form 10-Q for the three months ended March 31, 1998), and (III) any document furnished by American to American Tower for inclusion in the Convertible Registration Statement following the Effective Time (and American hereby agrees to furnish, upon request, to American Tower any such information required by Applicable Law in connection with maintaining the effectiveness of the Convertible Registration Statement for so long as such effectiveness is required pursuant to Article 5 hereof) (the documents referred to in clauses (x) and (y) and this clause (z) being collectively referred to as the "American Included SEC Information"), or (iv) in connection with any action or omission of any Tower Employee listed on Schedule B hereto for the benefit of, including without limitation in furtherance of the business of, any of the Tower Subsidiaries or in connection with or incident to such employee's duties and responsibilities as a Tower Employee;

(c) any economic impact related to or arising from the failure to obtain any Governmental Authorizations, Private Authorizations or other third party consents, or to make any Governmental Filings, necessary to consummate the Tower Separation;

(d) the rental and related expenses for the relevant portion of the leased premises located at 116 Huntington Avenue, Boston, Massachusetts referred to in Section 6.3, in the event of the failure to obtain the landlord's consent to the assignment of the obligations relating to, or sublease of, such relevant portion of such premises; and

(e) any actual or alleged defect in title to any of the assets listed in Section 6.17 of the American Disclosure Schedule that were owned in fee by American (the "Tower Fee Sites") that are attributable to American as a result of the conveyance of the Tower Fee Sites or the granting of special warranty deeds by American to American Tower with respect to the Tower Fee Sites. In addition to, and not in derogation of the foregoing, American Tower shall be responsible to take all necessary actions (including without limitation to commencing and/or defending legal actions) and bear all costs and expenses necessary to clear any defect in title to any Tower Fee Site for which American is responsible as the result of the conveyance of the Tower Fee Sites and the granting of such special warranty deeds by American to American Tower.

At the earlier to occur of the Tower Merger Effective Time and the Effective Time, American Tower hereby agrees to assume all liabilities (the "Assumed Liabilities") with respect to which American Tower has agreed to indemnify and hold harmless American pursuant to the provisions of this Section 3.1, Article 4 and Section 9.1.

3.2 American Indemnification. Following the Effective Time, American

shall indemnify, defend and hold the American Tower Indemnitees harmless from and against any Indemnifiable Loss (other than, in the case of the Tower Subsidiaries, the Assumed Liabilities) to which the American Tower Indemnitees may be or become subject that (i) relate to or arise from the assets, business, operations, debts or liabilities of American or its Subsidiaries (other than the Tower Subsidiaries) whether arising prior to, concurrent with or after the Merger, (ii) arise from any action taken by any Tower Employee in the ordinary course of business during the period, if any, from the Tower Merger Effective Time to the Effective Time for the purpose of providing management services to American pursuant to Section 9.1, or (iii) relate to or arise from the American Included SEC Documents.

3.3 Procedures Relating to Indemnification.

(a) In order for an Indemnitee to be entitled to any indemnification provided for under this Agreement in respect of, arising out of or involving a claim made by any Person who is not an Indemnitee against such Indemnitee (a "Third Party Claim"), such Indemnitee must notify the party who may become obligated to provide indemnification hereunder (the "indemnifying party") in writing, and in reasonable detail, of the Third Party Claim reasonably promptly, and in any event within fifteen business days after receipt by such Indemnitee of written notice of the Third Party Claim; provided, however, that failure to give such notification shall not affect the indemnification provided hereunder except to the extent the indemnifying party shall have been actually prejudiced as a result of such failure; provided further, however, that with respect to any matter for which American Tower is the indemnifying party, American Tower shall be deemed to have received notice with respect to all matters by or against American or any Subsidiary of American that arose prior to, or were otherwise pending at, the earlier to occur of the Tower Merger Effective Time and the Effective Time. After any required notification (if applicable), the Indemnitee shall deliver to the indemnifying party, promptly after the Indemnitee's receipt thereof, copies of all notices and documents (including court papers) received by the Indemnitee relating to the Third Party Claim.

(b) If a Third Party Claim is made against an Indemnatee, the indemnifying party will be entitled to participate in the defense thereof and, if it so chooses, to assume the defense thereof (at the expense of the indemnifying party) with counsel selected by the indemnifying party and reasonably satisfactory to the Indemnatee. Should the indemnifying party so elect to assume the defense of a Third Party Claim, the indemnifying party will not be liable to the Indemnatee for any legal fees or expenses subsequently incurred by the Indemnatee in connection with the defense thereof. If the indemnifying party assumes such defense, the Indemnatee shall have the right to participate in the defense thereof and to employ counsel, at its own expense, separate from the counsel employed by the indemnifying party, it being understood that the indemnifying party shall control such defense; provided, however, that the Indemnatee may employ separate counsel (the reasonable fees and expenses of which shall be paid by the indemnifying party) if the named parties in any Third Party Claim (including any impleaded parties) include both the Indemnatee and the indemnifying party and the Indemnatee shall have been advised in writing by its outside counsel that representation of both parties by the same counsel would be inappropriate under applicable standards of professional conduct due to differing interests between them. The indemnifying party shall be liable for the reasonable fees and expenses of counsel employed by the Indemnatee for any period during which the indemnifying party has not assumed the defense thereof.

Notwithstanding the foregoing, the indemnifying party shall not be entitled to assume the defense of any Third Party Claim if the Third Party Claim seeks an order, injunction or other equitable relief or relief for other than money damages against the Indemnatee which the Indemnatee reasonably determines, after conferring with its outside counsel, (i) cannot be separated from any related claim for money damages, and (ii) is, in the reasonable business judgment of the Indemnatee, material to such Third Party Claim or otherwise material to the business of the Indemnatee; provided, however, that such right to assume the defense of any Third Party Claim by the Indemnatee shall not extend to any portion of the Third Party Claim that seeks an order, injunction or other equitable relief or relief for other than money damages against the indemnifying party which the indemnifying party reasonably determines, after conferring with its outside counsel, is, in the reasonable business judgment of the indemnifying party, material to such Third Party Claim or otherwise material to the business of the indemnifying party. If such equitable relief or other relief portion of the Third Party Claim can be so separated from that for money damages, the indemnifying party shall be entitled to assume the defense of the portion relating to money damages. To the extent the indemnifying party is not entitled to assume the defense, in whole or in part, of any Third Party Claim, (i) the Indemnatee shall conduct the defense thereof to the extent so entitled, with counsel selected by the Indemnatee and reasonably satisfactory to the indemnifying party (which shall be liable for the reasonable fees and expenses of such counsel), and (ii) the indemnifying party will be entitled to participate in the defense thereof. The indemnification required by Section 3.1 or 3.2, as the case may be, shall be made by periodic payments of the amount thereof during the course of the investigation or defense, within fifteen business days of receipt by the indemnifying party of bills or actual notice that such Indemnifiable Loss has occurred, as the case may be. If the indemnifying party chooses to defend or prosecute a Third Party Claim, and to the extent the indemnifying party is not entitled to assume the defense of a Third Party Claim, all the parties hereto shall cooperate in the defense or prosecution thereof, which cooperation shall include (upon the indemnifying party's request) the provision to the indemnifying party of records and information which are reasonably relevant to such Third Party Claim, and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. If the indemnifying party chooses to defend or prosecute any Third Party Claim, the Indemnatee will agree to any settlement, compromise or discharge of such Third Party Claim which the indemnifying party may recommend and which by its terms obligates the indemnifying party to pay the full amount of liability in connection with such Third Party Claim; provided, however, that, without the Indemnatee's consent, the indemnifying party shall not consent to entry of any judgment or enter into any settlement (x) that provides for injunctive or other nonmonetary relief affecting the Indemnatee or (y) that does not include as an unconditional term thereof the giving by each claimant or plaintiff to such Indemnatee of a release from all liability with respect to such claim. If the indemnifying party shall have assumed the defense of a Third

Party Claim, the Indemnitee shall not admit any liability with respect to, or settle, compromise or discharge, such Third Party Claim without the indemnifying party's prior written consent (which consent shall not be unreasonably withheld). To the extent that the Indemnitee is entitled to and elects to defend or prosecute any Third Party Claim, the Indemnitee shall not consent to entry of any judgment or enter into any settlement (x) that provides for injunctive or other nonmonetary relief affecting the indemnifying party or (y) that does not include as an unconditional term thereof the giving by each claimant or plaintiff to such indemnifying party of a release from all liability with respect to such claim.

(c) In order for an Indemnitee to be entitled to any indemnification provided for under this Agreement in respect of a claim that does not involve a Third Party Claim, the Indemnitee shall deliver written notice of such claim with specific reference to this Section 3.3 with reasonable promptness to the indemnifying party. The failure by any Indemnitee so to notify the indemnifying party shall not relieve the indemnifying party from any liability which it may have to such Indemnitee under this Agreement, except to the extent that the indemnifying party shall have been actually prejudiced by such failure. If the indemnifying party does not notify the Indemnitee within fifteen business days following its receipt of such notice that the indemnifying party disputes its liability with respect to such claim under Section 3.1 or 3.2, as the case may be, the claim shall be conclusively deemed a liability of the indemnifying party under Section 3.1 or 3.2, as the case may be, and the indemnifying party shall pay the amount of such liability to the Indemnitee on demand or, in the case of any notice in which the amount of the claim (or any portion thereof) is estimated, on such later date when the amount of such claim (or such portion thereof) becomes finally determined. If the indemnifying party has timely disputed its liability with respect to such claim, as provided above, the indemnifying party and the Indemnitee shall proceed in good faith to negotiate a resolution of such dispute and, if not resolved through negotiations, such dispute shall be resolved by litigation in an appropriate court of competent jurisdiction.

(d) The parties hereto agree that (i) notices and other communications made or delivered to American Tower shall also be deemed to have been made or delivered to all other American Tower Indemnitees, and all elections, selections of counsel, choices, agreements and consents made or delivered by American Tower shall be deemed to have also been made or delivered by the other applicable American Tower Indemnitees, and shall be binding thereon and (ii) notices and other communications made or delivered to CBS shall also be deemed to have been made or delivered to all other CBS Indemnitees and American Indemnitees, and all elections, selections of counsel, choices, agreements and consents made or delivered by CBS shall be deemed to have also been made or delivered by the other applicable CBS Indemnitees and American Indemnitees, and shall be binding thereon.

3.4 Certain Limitations. -----

(a) The amount of any Indemnifiable Losses shall be net of any amounts actually recovered by the Indemnitee from third parties (including, without limitation, amounts actually recovered under insurance policies) with respect to such Indemnifiable Losses.

(b) All indemnification payments under this Agreement shall be determined so as to keep the Indemnitee whole on an after-tax basis, i.e., taking into

account the tax consequences to the Indemnitee of making a payment that is indemnified by another party under this Agreement or of receiving a payment under this Agreement as indemnification therefor. Any such tax consequences shall be determined by comparing the actual tax liability of the Indemnitee for any period taking into account any such payments to the amount that such tax liability would have been if the Indemnitee had not made or received such payments. Any payment made by American Tower with respect to indemnification payments under this Agreement shall be made to CBS in satisfaction of American Tower's assumption of American's tax liability and American Tower's agreement to pay certain purchase price adjustment items and American Tower's intention that such assumption and payment was on behalf of its stockholders who formerly were

stockholders or optionees of American, and nothing in this Section 3.4(b) shall impair, restrict or otherwise qualify or affect in any way the obligations of the parties hereto set forth in Article 4 relating to the tax reporting for the Tower Separation. Any disagreement as to the amount of the actual tax liability of any Indemnatee shall be resolved in accordance with the arbitration procedure described in Section 4.3(b).

3.5 Exclusivity Regarding Tax Matters. Notwithstanding anything in this

Agreement to the contrary, Section 3.4(b), this Section 3.5, Article 4, Section 10.1(g), Article 12 and Section 16.3 shall be the exclusive agreement among the parties with respect to the Tax matters dealt with therein, including indemnification in respect of Tax matters.

ARTICLE 4

TAX MATTERS

4.1 Tax Sharing Agreement. The tax sharing agreement among the Tower

Subsidiaries and American and American's other Subsidiaries shall be terminated as of the earlier of (a) the effective date of the Merger, and (b) the date (the "Tower Deconsolidation Date") that the Tower Subsidiaries are no longer eligible to be included in the consolidated tax returns of American and its other Subsidiaries under Sections 1501 to 1504 of the Code and will have no further effect for any taxable year (whether the current year, a future year, or a past year). Each of American and American Tower hereby acknowledge that the Tower Deconsolidation Date occurred on January 22, 1998 and that the tax sharing agreement was terminated on such date.

4.2 Allocation of Tax Liabilities; Deconsolidation

(a) American shall include the income of the Tower Subsidiaries (including any deferred income triggered into income by Reg. (S)1.1502-13 and Reg. (S)1.1502-14 and any excess loss accounts taken into income under Reg. (S)1.1502-19) on American's consolidated federal income Tax returns and consolidated or combined state and local income Tax returns to the extent such income is properly includible thereon for all periods through the Tower Deconsolidation Date, and pay any income Taxes attributable to such income. American Tower shall reimburse American for any such federal, state and local income Taxes payable by the American Tax Group attributable to such income, as determined on a separate company basis; provided, however, that American Tower shall have no reimbursement obligation if American has no income Tax liability on a consolidated basis as a result of a net operating loss or to the extent that the income of the Tower Subsidiaries is offset by a net operating loss under the principles of Section 4.2(d). The Tower Subsidiaries will furnish Tax information to American for inclusion in American's federal consolidated income Tax return for the period through the Tower Deconsolidation Date in accordance with American Tower's past custom and practice. The income of the Tower Subsidiaries will be apportioned to the period up to and including the Tower Deconsolidation Date and the period after the Tower Deconsolidation Date by closing the books of the Tower Subsidiaries as of the end of such date.

(b) American Tower shall indemnify the American Tax Group and CBS for all Taxes imposed by any Taxing Authority on any member of the American Tax Group or on CBS (or on any member of CBS's consolidated tax group) as a result of or in connection with (i) the sale or transfer of assets to a Tower Subsidiary pursuant to Section 11.2 (or between members of the American Tax Group prior to the final transfer to a Tower Subsidiary or between Tower Subsidiaries), (ii) the Merger, (iii) the Tower Merger, (iv) the Tower Separation, (v) any other disposition or issuance of American's stock interest in American Tower or issuance of stock in American Tower contemplated or permitted hereby or by the Merger Agreement or by any Collateral Document, (vi) the merger of American Tower with any other Person, (vii) the transactions occurring on or about January 20-21, 1998, involving American Tower Systems, L.P. or interests therein,

as the case may be, or otherwise in connection with the Tower Deconsolidation or related transactions, or (viii) the exercise (or cashout) of stock options by employees of American Tax Group at any time on or prior to the Effective Time, including without limitation any Taxes (1) on any gain to any member of the American Tax Group arising under Section 311 of the Code, (2) on any deferred gain to any member of the American Tax Group triggered as a result of or upon any such event, (3) on any gain attributable to any excess loss account triggered upon any such event, (4) arising as a result of the election or other transactions contemplated by paragraph (j) of this Section 4.2, (5) on any income or gain arising as a result of transactions described in Section 3.4(c) or the second sentence of Section 6.8(a) of the Merger Agreement, (6) as a result of the timing of the payment of Taxes (including, without limitation, any estimated Taxes) hereunder, (7) on any gain on the conversion of American Convertible Preferred Stock into Tower Common Stock, and (8) in the nature of any transfer Taxes arising from any such event; provided, however, that such indemnity shall only apply to the extent that the additional liability for such Taxes payable by the American Tax Group as a consequence of such events (on a "but for" basis), after giving effect to any net operating loss in accordance with the principles of Section 4.2(d), exceeds \$20,000,000. Any payment made by American Tower with respect to such indemnification or pursuant to the provisions of Section 4.2(c) shall be made to CBS in satisfaction of American Tower's assumption of American's tax liability with respect to the Tower Separation and American Tower's intention that such assumption was on behalf of its stockholders who formerly were stockholders or optionees of American.

(c) If as a result of any payment by American Tower to any member of the American Tax Group or to CBS pursuant to this Section 4.2 (including this paragraph (c)), CBS (or any member of its consolidated group for Federal income tax purposes) or any member of the American Tax Group becomes liable in any taxable year to pay any Taxes in excess of the Taxes they would have owed in the absence of any such payment by American Tower, American Tower will indemnify such Person for such Tax liability and make such Person whole on an after-tax basis for such Tax liability.

(d) For the purposes of Sections 4.2(a) and 4.2(b), net operating losses of the American Tax Group shall be reduced and deemed absorbed in the following order for each taxable year of the American Tax Group: first, by all income unrelated to the transactions contemplated by this Agreement of members of the American Tax Group other than the Tower Subsidiaries for the entire applicable taxable year of the American Tax Group; second, by income of the Tower Subsidiaries described in Section 4.2(a); and third, by income of the American Tax Group described in Section 4.2(b). Neither the American Tax Group nor CBS (or any member of CBS's consolidated tax group for Federal income tax purposes) shall have any claim under either Section 4.2(a) or (b) for additional Tax liability arising in subsequent taxable years solely as a result of the absorption of net operating losses of the American Tax Group in this manner. The parties agree that, anything in this Agreement, including without limitation Section 10.1(b), to the contrary notwithstanding, for purposes of Sections 4.2(a), 4.2(b) and 4.2(f) and this Section 4.2(d), (i) net operating losses of the American Tax Group shall include any current deductions and losses of the American Tax Group included on the Pre-Closing Tax Returns of the American Tax Group, but excepting the current deductions and losses of the Tower Subsidiaries (which deductions and losses of the Tower Subsidiaries shall be first applied against the income of the Tower Subsidiaries under Section 4.2(a)), and (ii) the current deductions and losses of the American Tax Group included on the Pre-Closing Tax Returns of the American Tax Group shall include without limitation the deductions attributable to the exercise or cancellation of options from the date of the Original Merger Agreement through the time of completion of the transactions contemplated by the Merger Agreement (including those options canceled pursuant to the provisions of Section 6.8(a) of the Merger Agreement immediately prior to the Effective Time) and the deductions attributable to any disqualifying disposition as a result of the Merger of stock received pursuant to the exercise of incentive stock options from the date of the Original Merger Agreement through the time of completion of the transactions contemplated by the Merger Agreement except, however, that in either case such deductions shall not include deductions with respect to options that have been exercised or canceled

and the payment for which (including disqualifying dispositions) has been deferred pursuant to Section 6.8(d) of the Merger Agreement or otherwise.

(e) American shall control any audit or contest relating to Taxes attributable to the American Tax Group. To the extent such audit or contest relates to Taxes that American Tower is obligated to reimburse or indemnify American or CBS under this Agreement, American and CBS shall (x) regularly consult with American Tower in connection with such audit or contest; (y) provide American Tower with periodic reports on the status of such audit or contest; and (z) not enter into a settlement agreement relating to such audit or contest that materially prejudices American Tower without American Tower's prior written consent. Notwithstanding the foregoing, American and CBS shall, if so requested by American Tower, pursue in their own name, but for the benefit of and at the cost and expense of American Tower, any refund claims specified by American Tower with respect to (i) the issue of whether indemnity payments and other purchase price adjustments made by American Tower under this Agreement give rise to a downward adjustment to the tax basis of American's Tower Common Stock or otherwise require a "gross up" under the principles of Sections 3.4(b), 4.2(c), or 4.2(f), or (ii) the issue of the value of American's Tower Common Stock for purposes of computing the tax to American on the distribution of its Tower Common Stock. Any refunds in connection with the foregoing, including interest refunded thereon but net of any Taxes imposed on American or CBS on such refunds or such refunded interest, shall belong to American Tower and shall be promptly paid over to American Tower by American or CBS when received. Anything to the contrary contained herein notwithstanding, American Tower shall have the sole right to control any such refund claims through the date of the final administrative or judicial determination of such claims. American and CBS agree to provide all such cooperation to American Tower as it shall reasonably request in pursuing such refunds, including the execution and delivery of such claims, pleadings, powers of attorney, extensions and other documents as are reasonable and customarily associated with refund claims. In the event that an audit or contest shall involve the issue of the value of American Tower or the value of American's interest in the Tower Common Stock owned by it for purposes of computing the tax to American on the distribution of such Tower Common Stock, American and CBS shall permit American Tower, at its own cost and expense, to place before the Internal Revenue Service or other administrative or judicial body its position on such issue, and shall permit American Tower to participate in all discussions regarding such issue and to submit such protests, briefs and arguments as American Tower shall deem necessary or appropriate in connection therewith. Without limiting the generality of the foregoing, American Tower may at its election pay such portion of any asserted deficiency as shall relate to such valuation issue, and shall thereupon have the rights specified above with regard to pursuing a refund in respect of the valuation issue.

(f) If pursuant to any Tax audit or contest there is an adjustment to any Taxes that were paid or are or were reimbursable or indemnifiable by American Tower to any member of the American Tax Group or CBS under this Agreement, including Sections 4.2(a), 4.2(b), 4.2(c) and 4.2(k), then (i) any additional Taxes imposed on the American Tax Group as a result of such adjustment shall be indemnified by American Tower, except to the extent that the American Tax Group or CBS (or any member of its consolidated group for Federal income tax purposes) receives a tax benefit as a result of any adjustment relating to the matters referred in clause (ii) of the last sentence of Section 4.2(d); and (ii) any refund of Taxes paid to the American Tax Group or CBS as a result of such adjustment of amounts previously indemnified by American Tower (not exceeding amounts previously paid or reimbursed by American Tower with regard to such Taxes), plus refunded interest thereon but net of any Taxes imposed on American or CBS on such refunds or such refunded interest, shall be promptly paid over to American Tower.

(g) American Tower shall not have the right to any refund, credit (or other reduction) of Taxes realized by the American Tax Group resulting from a carry back of a post-Tower Deconsolidation Date Tax attribute of any of the Tower Subsidiaries into a Tax Return filed by the American Tax Group.

(h) American shall not elect to retain any net operating loss carryovers or capital loss carryovers of the Tower Subsidiaries.

(i) The indemnities and agreements of the Tower Subsidiaries and the agreements of American described in this Section 4.2 shall apply to all applicable Taxes whenever they shall arise.

(j) At the request of any Tower Subsidiary, American agrees that it shall, and shall cause its Subsidiaries or other appropriate Affiliates to, make and/or cooperate with the Tower Subsidiaries (x) in making an election under Section 336(e) of the Code with respect to the Tower Separation, or (y) in effecting intercompany sales or exchanges of assets designed to achieve a comparable effect whereby deferred intercompany gains are recognized immediately prior to the Tower Deconsolidation.

(k) American, CBS and American Tower agree that the Pre-Closing Tax Returns shall be prepared on the basis that, in connection with gain that is recognized by American in connection with the distribution of its Tower Common Stock or, if applicable, recognized or taken into account by American on the Tower Deconsolidation Date:

(i) The amount realized in connection with the distribution of Tower Common Stock pursuant to the Tower Separation shall be based on the "fair market value" of such stock. If so requested by American Tower, the fair market value of such Tower Common Stock shall be determined by an appraisal prepared at American Tower's expense by the firm of Houlihan Lokey, or by another firm selected by American Tower subject to the approval of CBS which approval shall not be unreasonably withheld, delayed or conditioned. If such an appraisal is completed and American Tower elects, in its sole discretion, to use such appraisal for tax reporting purposes, then, for purposes of the Pre-Closing Tax Returns, American Tower may elect to use any fair market value of the Tower Common Stock equal to or greater than such appraised fair market value; provided, however, that (x) CBS may in its sole discretion refuse to permit the filing of Pre-Closing Tax Returns that use any fair market value less than 80% of the Market Value, and (y) if the fair market value used is less than 85% of the Market Value, American Tower shall secure its indemnity obligations hereunder, two business days prior to the date on which such Pre-Closing Tax Returns are required to be filed, by letter or letters of credit reasonably satisfactory to CBS or in some other manner satisfactory to CBS, in its sole discretion, in an amount equal to the amount by which the reported tax liability of the American Tax Group would be increased if the reported value of the Tower Common Stock had been 85% of the Market Value. Such security shall continue until the earlier of (x) the expiration of the applicable statutes of limitation under Applicable Law, or (y) final resolution of the valuation question (by agreement with the appropriate Taxing Authority or judicial proceedings that have become final). If the appraisal is not completed, or is not completed prior to the date on which any Pre-Closing Tax Return (including any Pre-Closing Estimated Tax Return) is required to be filed, or if the appraisal is completed but American Tower, in its sole discretion, determines not to use it, the amount realized shall be based on the "fair market value" of the Tower Common Stock determined by the written agreement of CBS and American Tower. The term "Market Value" means the "Market Price of American Common Stock" reduced by \$44.00. The term "Market Price of American Common Stock" means the closing price per share of American Class A Common Stock for the day preceding the date on which the Effective Time shall occur, as reported on the NYSE Composite Transactions List (as reported by the Wall Street Journal or, if not reported thereby, by another authoritative source mutually selected by CBS and American Tower). Notwithstanding the foregoing, the amount realized in connection with the transactions occurring on or about January 20-21, 1998 involving American Tower Systems, L.P. or interests therein, or otherwise in connection with the Tower Deconsolidation or any related transactions, shall be based on the Market Value (as defined above, except that (A) the Market Value shall be determined on January 21, 1998 and (B) in determining such amount there shall be substituted for \$44.00 an

amount equal to (I) \$44.00 minus (II) an amount reasonably agreed to by CBS and American Tower (not to exceed \$1.50) representing the time value of money and the factors relating to the consummation of the Merger for purposes of all Pre-Closing Tax Returns.

(ii) The amount of any payments made by (A) American Tower to any CBS Indemnatee pursuant to this Agreement, including, without limitation, Article 3, Article 4 and Article 10, shall be reported for Tax purposes as a nontaxable dividend reducing American's tax basis in the Tower Common Stock prior to the date of the Tower Separation, and (B) the amount of any payments made by any CBS Indemnatee to American Tower pursuant to this Agreement shall be treated as a capital contribution increasing American's tax basis in its Tower Common Stock prior to the date of the Tower Separation.

(iii) For state tax reporting purposes, such gain shall be reported in a manner which is generally consistent with the analysis previously prepared by Deloitte & Touche and reviewed by CBS, subject to the qualification that other positions may be taken in connection with such state tax reporting that, in the reasonable judgment of CBS, meet at least the "some realistic possibility of success if litigated" standard of correctness, provided that the applicable returns contain disclosure that CBS reasonably determines is sufficient to avoid risk of penalties. Notwithstanding the foregoing, solely for purposes of computing the payment to be made to CBS as prescribed in Section 4.4 and used to fund payments to be actually made with the Pre-Closing Estimated Tax Returns, the gain recognized on the Tower Deconsolidation Date shall be treated as subject to tax at a blended state and federal tax rate of 36.99% and the gain recognized by American in connection with the distribution of its Tower Common Stock shall be treated as subject to tax at a blended state and federal tax rate of 37.42% (which in each case is consistent with the analysis referred to above).

(iv) Notwithstanding the matters as to which reporting positions are prescribed by this Section 4.2(k), American Tower shall have the rights set forth in Section 4.2(e) relating to the filing of one or more refund claims with respect to such matters.

(1) American, CBS and American Tower agree that in computing the amount of taxable gain to American that is recognized after the Merger by American in connection with the distribution of Tower Common Stock to holders of American Convertible Preferred Stock, the "fair market value" of the Tower Common Stock shall be determined entirely on the basis of the public trading price of Tower Class A Common Stock at the time of any such distribution.

4.3 Tax Returns. -----

(a) CBS shall prepare (or cause to be prepared) and file (or cause to be filed) all Tax Returns of the American Tax Group and members thereof for taxable periods beginning before the Merger that are not yet due (taking into account extensions) on the date of the Merger, including the separate or combined returns that include only the Tower Subsidiaries for taxable periods ending on or before the Deconsolidation Date that are not yet due (taking into account extensions) on the date of the Merger (the "Pre-Closing Tax Returns"). In the absence of a controlling change in law, and except as otherwise set forth in this Agreement, each such Tax Return shall be prepared on a basis that is consistent with the elections, accounting methods, conventions, practices and principles of taxation used on the Tax Returns for the most recent applicable taxable periods, and such Tax Returns shall be prepared consistent with Section 4.2(k). CBS and American Tower shall consult each other on an ongoing basis during the preparation of all such Tax Returns concerning any positions to be taken therein (except to the extent that such position or positions are expressly agreed to herein). Notwithstanding the foregoing, and subject to Section 4.2(k), CBS shall not be required to file any Pre-Closing Tax Return that takes any position to the extent CBS determines, in good faith after consultation with its tax accountants and attorneys, that there is not "substantial authority" for such position,

unless (i) CBS so determines that there is a "reasonable basis" for such position, (ii) disclosure that CBS, in its reasonable judgment after consultation with American Tower, determines meets the requirements of Section 6662 of the Code is made of such position on such return, and (iii) the amount of Tax liability (determined at the time) at stake for any such position on all such Tax Returns does not exceed \$1.0 million and the aggregate Tax liability (so determined) at stake for all such positions on all such returns does not exceed \$5.0 million, unless American Tower has secured its indemnity obligation to CBS in excess of such amounts by letter or letters of credit reasonably satisfactory to CBS or some other manner reasonably satisfactory to CBS, in its sole discretion. Such security shall continue until the earlier of (x) the expiration of the applicable statutes of limitation under the Applicable Law, or (y) final resolution of the issue in question (by agreement with the appropriate Taxing Authority or judicial proceedings that have become final).

(b) American Tower shall cooperate with CBS in connection with the preparation of the Pre-Closing Tax Returns and shall be liable for any damages actually incurred by CBS because of American Tower's failure to fully and reasonably promptly comply (or to cause its tax and accounting personnel to fully and reasonably promptly comply) with any reasonable request by CBS for assistance in such preparation to the extent American Tower or such personnel are in possession of or provided reasonable access to the requisite information. At least 60 calendar days prior to the date on which any Pre-Closing Tax Return is required to be filed (taking into account extensions), CBS shall deliver such Tax Return (or cause such Tax Return to be delivered) to American Tower for its review. Within 30 calendar days of receipt of such Tax Return by American Tower for review, American Tower shall notify (in writing) CBS of any changes to such Tax Return (including disclosures proposed to be included therein) based on a determination by American Tower that there is a "reasonable basis" or "substantial authority" for a position not taken in such Tax Return. If CBS disputes any such changes, it must notify (in writing) American Tower of any such disputed changes within five calendar days. American Tower shall have the right to cause the reasonableness of the determination by CBS to be submitted, within five calendar days of the receipt of such notification, for final resolution to an arbitrator jointly selected by CBS and American Tower, which arbitration shall be completed within 15 calendar days of submission. If CBS and American Tower are unable to agree on an arbitrator within the aforesaid five calendar day period, each party shall identify an arbitrator by the end of such period, and the arbitrators so identified shall jointly select the ultimate arbitrator. The arbitrator shall be a law or accounting firm nationally recognized in tax matters, and the costs of the arbitration shall be shared equally by the parties. If the Closing Date occurs on or between (i) the 1st and 15th calendar day of any month, Pre-Closing Tax Returns for estimated Taxes of the American Tax Group for the taxable periods ending on or before the Closing Date ("Pre-Closing Estimated Tax Returns") shall be filed on the later of (x) the 15th calendar day of such month (or, if such day is not a business day, the next business day) and (y) ten business days immediately following the Closing Date, and (ii) the 16th and final calendar day of any month, such Pre-Closing Estimated Tax Returns shall be filed on the 10th business day immediately following the Closing Date; provided, however, that notwithstanding the foregoing, the parties agree that, in the sole discretion of American Tower, by written notice provided by American Tower to CBS at least three business days before the applicable date described above, the Pre-Closing Estimated Tax Returns may be filed at a later time or times, but in no event subsequent to June 30, 1998, in which event American Tower shall be responsible for all interest and penalties payable as a consequence of such late filing. Any such Pre-Closing Estimated Tax Return shall report (and include payment for) the entire estimated tax liability of the American Tax Group for taxable years that end on or before the Closing Date to the extent not paid with a prior estimated Tax Return.

(c) American Tower shall also cooperate with CBS, to the extent reasonably requested, in the preparation of Tax Returns of the American Tax Group and members thereof for taxable periods beginning on or after the Merger and ending on or before December 31, 1998.

(d) American Tower shall cooperate with CBS in the conduct of any audit or other proceeding relating to Taxes of the American Tax Group, including without limitation (i) making the books and records of American Tower available at such times and places as CBS may reasonably request, (ii) making employees available on a mutually convenient basis to provide such assistance as might reasonably be required, and (iii) providing such information then within its or any of its Subsidiaries' possession as might reasonably be required in connection with the preparation of the Pre-Closing Tax Returns and any such audit or proceeding, including, without limitation, records, returns, schedules, documents, work papers or other relevant materials.

(e) CBS and American shall cooperate with American Tower in the conduct of any audit or other proceeding relating to Taxes of the American Tax Group, including without limitation (i) making the books and records of American available at such times and places as American Tower may reasonably request, (ii) making employees of American and CBS available on a mutually convenient basis to provide such assistance as might reasonably be required, and (iii) providing such information then within its or any of its Subsidiaries' possession as might reasonably be required in connection with the preparation of the Pre-Closing Tax Returns and any such audit or proceeding, including, without limitation, records, returns, schedules, documents, work papers or other relevant materials.

(f) If American Tower so requests, American shall request an extension of time to file any Tax Return with respect to which American Tower bears responsibility for all or any portion of the Tax liability.

(g) For purposes of this Article 4, "Tax Returns" means all returns, reports, declarations, information, estimates, schedules, filings or documents (including any related or supporting information) filed or required by any Taxing Authority to be filed with respect to Taxes, including, without limitation, all information returns, claims for refund, amended returns, declaration of estimated Taxes, and requests for extensions of time to file any item described in this paragraph.

4.4 Payment. -----

(a) Payment of indemnification for Taxes under this Article 4 shall be made in immediately available funds as follows: (i) in the case of each Pre-Closing Estimated Tax Return (x) at the Effective Time, American Tower shall pay CBS an amount equal to the Taxes then estimated to be due on such Tax Return, on the basis that the amount realized in connection with the distribution of Tower Common Stock pursuant to the Tower Separation is not less than 85% of the Market Value and (y) at least two business days prior to the filing of such Pre-Closing Estimated Tax Return, CBS shall pay American Tower or American Tower shall pay CBS the amount necessary to reflect the difference, if any, between the Taxes to be shown as payable on such Pre-Closing Estimated Tax Return and the amount actually paid pursuant to clause (x) hereof, (ii) in the case of each other Tax Return other than Pre-Closing Estimated Tax Returns, at least two business days prior to the filing of such Tax Return, American Tower shall pay CBS the amount necessary to reflect the excess, if any, of the Taxes shown as payable on such Tax Return over the Taxes shown as payable on the Pre-Closing Estimated Tax Return(s) to which such Tax Return relates (or, if the Taxes shown as payable on the Pre-Closing Estimated Tax Return(s) to which such Tax Return relates exceeded the Taxes shown as payable on such Tax Return, the provisions of Section 4.4(b) shall apply to such excess), and (iii) in the case of indemnification for Taxes under Section 4.2(f), payments shall be made at least two business days prior to the date the payment of such Taxes is due to be made to the Taxing Authority pursuant to Applicable Law. In the event payment is made by American Tower at or prior to the Effective Time, CBS shall be entitled to use such funds prior to June 15, 1998 (or such later date not later than June 30, 1998 as American Tower has, in its sole discretion, directed that the Pre-Closing Estimated Tax Returns be filed) and the amount owed with respect to the Final Adjustment Amount (including interest thereon) shall be reduced by an amount equal to (i) the amount of the payment from American Tower to CBS pursuant to the provisions of clause (i)(x) of the first sentence of this Section 4.4(a) multiplied by (ii) the interest rate paid by CBS on its senior bank credit facility for the period from the day following the Effective Time to the date which is two business days prior to the filing of the Pre-Closing Estimated Tax Return.

(b) If a final (as opposed to estimated) Tax return reports a tax liability lower than the amounts paid with the related Pre-Closing Estimated Tax Returns, CBS may elect to treat such excess as either a credit or a refund. If CBS elects to treat such amount as a credit, it shall pay American Tower such amount, in immediately available funds, on the date such final Tax return is filed. If CBS elects to have such amount refunded, it shall pay American Tower such amount, in immediately available funds, immediately upon receipt of such refund.

ARTICLE 5

REGISTRATION AND OTHER GOVERNMENTAL MATTERS

5.1 Securities Laws Registration.

(a) American Tower shall, to the extent that it has not already done so, prepare and file with the Commission as soon as is reasonably practicable after the date hereof (i) a registration statement on Form S-4 (the "Merger Registration Statement"), (ii) a registration statement on Form S-8 (the "Option Registration Statement") and (iii) a registration statement on Form S-1 (or any other applicable form) (the "Convertible Registration Statement, and collectively with the Merger Registration Statement and the Option Registration Statement, the "Registration Statements"), in each case complying with applicable rules and regulations of the Commission. The Merger Registration Statement shall cover the registration under the Securities Act of the shares of Tower Common Stock to be delivered as part of the Tower Stock Consideration or the Tower Merger Stock Consideration to the holders of American Common Stock at the Effective Time or the Tower Merger Effective Time, as the case may be. The Option Registration Statement shall cover the registration under the Securities Act of the shares of Tower Common Stock, among others, which may be issued upon the exercise of options to purchase Tower Common Stock issued upon the exchange of American Options pursuant to the provisions of Section 6.8(b) of the Merger Agreement. The Convertible Registration Statement shall cover the registration under the Securities Act of shares of Tower Common Stock to be delivered by American upon conversion of American Convertible Preferred Stock following the earlier to occur of the Tower Merger Effective Time and the Effective Time.

(b) American Tower shall promptly furnish to American and CBS all information, and take such other actions, as may reasonably be requested by American in connection with any action taken by American to comply with the provisions of Section 6.6 of the Merger Agreement. American Tower shall correct promptly any information provided by it to be used specifically in the Information Statement or any Registration Statement that shall have become false or misleading in any material respect and shall take all steps necessary to file with the Commission and have cleared by the Commission any amendment or supplement to any Registration Statements so as to correct such Information Statement or such Registration Statement. Without limiting the generality of the foregoing, American Tower shall notify CBS promptly of any stop order or proceeding by the Commission seeking a stop order relating to any Registration Statement, the receipt of the comments of the Commission and of any request by the Commission for amendments or supplements to any Registration Statement, or for additional information, and shall supply CBS with copies of all correspondence between it or its representatives, on the one hand, and the Commission or members of its staff, on the other hand, with respect to any Registration Statement. Whenever any event occurs which should be described in an amendment or a supplement to the Information Statement or any Registration Statement, American Tower shall, upon learning of such event, promptly prepare, file and clear with the Commission such amendment or supplement; provided, however, that, prior to such mailing, (i) American Tower shall consult with CBS with respect to such amendment or supplement, (ii) shall afford CBS reasonable opportunity to comment thereon, and (iii) each such amendment or supplement shall be reasonably satisfactory to CBS.

(c) American Tower represents and warrants to American that each of the Registration Statements or any other document filed by American Tower with the Commission or any other Authority pursuant to the provisions of this Section 5.1 will not (except to the extent revised or superseded by amendments or supplements contemplated hereby), at the time each such Registration Statement is filed with the Commission, at the time such Registration Statement is amended or supplemented or at the time each such Registration Statement becomes effective under the Securities Act, contain any untrue statement of a material fact or omit to state any material fact required to make any statement contained herein or therein, in light of the circumstances under which they were made, not misleading; provided, however, that no representation or warranty is made by American Tower with respect to statements made or incorporated by reference therein based on information (i) supplied by CBS for inclusion or incorporation by reference in any Registration Statement or any such other document; or (ii) relating solely to American (excluding American Tower Mergercorp and the Tower Subsidiaries) which is contained in or expressly consistent with the American Included SEC Information. American Tower further represents and warrants to American that all information provided by or relating to American Tower (or any of its Subsidiaries) set forth in the Information Statement will not (except to the extent revised or superseded by amendments or supplements contemplated hereby), at the time such Information Statement is first mailed to the holders of American Common Stock, contain any untrue statement of a material fact or omit to state any material fact required to make any statement contained herein or therein, in light of the circumstances under which they were made, not misleading.

(d) American represents and warrants to American Tower that all information supplied by or relating to American (or any of its Subsidiaries other than American Tower Mergercorp or the Tower Subsidiaries) which is contained in or expressly consistent with the American Included SEC Information and is set forth in the Information Statement, each Registration Statement or any other document filed by American Tower or American with the Commission or any other Authority pursuant to the provisions of this Section 5.1 will not (except to the extent revised or superseded by amendments or supplements contemplated by the preceding paragraph (c)), at the time such Information Statement is first mailed to the holders of American Common Stock and at the time each such Registration Statement is filed with the Commission, at the time such Registration Statement is amended or supplemented or at the time each such Registration Statement becomes effective under the Securities Act, contain any untrue statement of a material fact or omit to state any material fact required to make any statement contained herein or therein, in light of the circumstances under which they were made, not misleading.

(e) American Tower covenants and agrees to use its reasonable business efforts (i) to cause the Option Registration Statement and the Convertible Registration Statement each to be declared effective prior to the earlier to occur of the Tower Merger Effective Time and the Effective Time under the Securities Act by the Commission, and (ii) to maintain, on customary terms, the Convertible Registration Statement continuously effective under the Securities Act until the earlier to occur of (x) the delivery by American Tower to American of an opinion of legal counsel reasonably satisfactory to American and CBS that such Registration Statement is no longer required to permit delivery by American of shares of Tower Common Stock upon conversion of the American Convertible Preferred Stock in accordance with the Securities Act and (y) the delivery by American to American Tower of written notification that all of the outstanding shares of American Convertible Preferred Stock have been converted, and the shares of Tower Common Stock relating to such conversion have been delivered to the holders thereof, in accordance with the Certificate of Designation relating to the American Cumulative Preferred Stock; it being expressly understood that neither American, CBS nor any of their respective Subsidiaries shall be under any obligation to notify American Tower of any conversion by any holder of any shares of American Convertible Preferred Stock following the earlier to occur of the Tower Merger Effective Time and the Effective Time until such time as all of the outstanding shares of American Convertible Preferred Stock have been so converted and delivered in

accordance with such Certificate of Designation, unless American Tower has specifically requested, from time to time, information with respect to the status of such conversions.

5.2 Governmental and Private Authorizations; Consents. American shall

obtain all Governmental Authorizations, Private Authorizations or other third party consents (other than the consent of the banks under its Credit Agreements, dated as of January 24, 1997, with The Bank of New York, as Collateral Agent and Administrative Agent, and the other agents named therein and lenders party thereto to the effectuation of the Tower Separation pursuant to the Merger), and make any necessary Governmental Filings, necessary to consummate the Tower Separation, except where the failure to obtain such consents, in the aggregate, would not (a) be reasonably likely to have any adverse effect on American, (b) materially impair the ability of American to perform its obligations under this Agreement or the Merger Agreement, or (c) materially delay or prevent the consummation of the Merger. American shall effect the Tower Separation in compliance with its Restated Certificate of Incorporation and by-laws and in material compliance with all Applicable Laws.

ARTICLE 6

COVENANTS OF AMERICAN AND AMERICAN TOWER

6.1 Acquisitions, Mergers and Capital Contributions. At the request of

American Tower and subject to the requirements and restrictions imposed on American by any of its financing documents (as from time to time amended), and the terms of the Merger Agreement, American shall, from time to time after the date hereof and prior to the earlier to occur of the Tower Merger Effective Time and the Effective Time, permit American Tower to (a) acquire (whether by merger, stock or asset acquisition or otherwise) additional businesses engaged in the business in which American Tower is engaged, (b) construct additional communication towers, or (c) make other capital improvements on assets owned or leased by American Tower or its Subsidiaries, and in each such case make additional capital contributions in American Tower, or make loans to American Tower, of the funds.

6.2 Contribution and Issuance of Tower Capital Stock.

(a) American will contribute (without the payment of any amount or the issuance of any securities by American Tower) to the capital of American Tower (i) immediately prior to the earlier to occur of the Tower Merger Effective Time and the Effective Time, as the case may be, a number of shares of Tower Common Stock equal to the excess, if any, of (A) the number of shares of Tower Common Stock owned by American immediately prior to the earlier to occur of the Tower Merger Effective Time and the Effective Time, as the case may be, over (B) the number of shares of Tower Common Stock required to be delivered (x) to the holders of shares of American Common Stock, (y) to holders of American Options pursuant to the provisions of Section 6.8(a) of the Merger Agreement, after giving effect to all elections evidenced by definitive agreements delivered to American immediately prior to the earlier to occur of the Tower Merger Effective Time and the Effective Time by Tower Employees to convert their American Options into options to acquire Tower Common Stock pursuant to the provisions of Section 6.8(b) of the Merger Agreement, and (z) upon conversion of American Convertible Preferred Stock, and (ii) from time to time after the Effective Time, such shares of Tower Common Stock owned by American that the holders of the Dissenting Shares would have been entitled to receive had they not exercised their appraisal rights.

(b) If the Tower Employees set forth on Schedule 4.1(e) to the Merger Agreement do not enter into definitive agreements prior to the earlier to occur of the Tower Merger Effective Time and the Effective Time to convert the American Options which are held by such Tower Employees and set forth on such

Schedule into options to acquire Tower Common Stock in accordance with this Section 6.2(b), American Tower shall, prior to the earlier to occur of the Tower Merger Effective Time and the Effective Time, issue to American in exchange for payment of the par value thereof a number of shares of Tower Common Stock equal to the aggregate number of shares of American Common Stock subject to such American Options set forth on such Schedule.

6.3 Executive Office Lease. At the earlier to occur of the Tower Merger

Effective Time and the Effective Time, American Tower shall assume, to the extent permitted by the landlord, the obligations under the lease of 116 Huntington Avenue, Boston, Massachusetts, with respect to the relevant portion of such leased premises designated in Schedule A attached hereto and made a part hereof or, if such permission is not obtained, sublease such relevant portion, at which time American Radio and its personnel shall vacate such relevant portion, except as otherwise provided in any written agreement between American and American Tower with respect to the temporary use of space at such relevant portion.

ARTICLE 7

CERTAIN COVENANTS

7.1 American Tower Covenants.

(a) Prior to the earlier to occur of the Tower Merger Effective Time and the Effective Time, American shall, to the extent requested by CBS, cause the Tower Subsidiaries to perform its obligations under the Tower Documentation. If the Tower Merger shall be consummated, during the period from the Tower Merger Effective Time to the Effective Time, American shall not, except as contemplated by this Agreement or the Merger Agreement, enter into any agreement, transaction, plan or arrangement with American Tower without the express written consent of CBS.

(b) Following the earlier to occur of the Tower Merger Effective Time and the Effective Time, except as otherwise provided in this Agreement, including without limitation Articles 11 and 12, American Tower shall, to the extent requested by American, take whatever measures as are reasonably necessary to cause the conveyance or lease to American of any assets necessary for the operation of the business of American and its Subsidiaries (excluding the Tower Subsidiaries) as such was conducted prior to the Closing Date which assets were not conveyed, leased or otherwise transferred to American prior to the earlier to occur of the Tower Merger Effective Time and the Effective Time.

7.2 CBS Covenant. CBS agrees that it shall, at the written request of

American in its sole and absolute discretion, immediately prior to the Merger, and subject to the satisfaction of all of the conditions to the consummation of the transactions contemplated by the Merger Agreement, purchase, at their then fair market value, shares of a new class of American preferred stock that constitutes "Equity Interests" (as defined in the indenture relating to American's 9% Senior Subordinated Notes due 2006) in an amount (which shall not in the aggregate exceed \$200,000,000) necessary to enable (a) the Tower Stock Consideration to be delivered to the holders of American Common Stock pursuant to the Merger, (b) Tower Common Stock to be delivered to holders of American Options pursuant to the Merger, and (c) Tower Common Stock to be delivered upon conversion of the American Convertible Preferred Stock, without causing any conflict with, or breach or violation of, or default under, or creating any right to accelerate any obligation or liability in, or causing or creating any of the foregoing after the giving of notice or passage of time or both with, of, under or in any indebtedness of American or the American Cumulative Preferred Stock; provided, however, that anything in this Section or elsewhere in this Agreement or the Merger Agreement to the contrary notwithstanding, in such event such preferred stock shall remain outstanding immediately following the Effective Time.

ARTICLE 8

MUTUAL RELEASES

8.1 Release of American Tower. American shall cause all of the Tower

Subsidiaries to be released from all liabilities of American and its Subsidiaries (other than the Tower Subsidiaries) other than the Assumed Liabilities; provided, however, that American Tower agrees to reimburse American for any expenses incurred in obtaining such release. Effective immediately prior to the earlier to occur of the Tower Merger Effective Time and the Effective Time, American and its Subsidiaries (other than the Tower Subsidiaries) hereby release the Tower Subsidiaries from all Claims by American or its Subsidiaries (other than the Tower Subsidiaries), except for (a) the Assumed Liabilities, (b) American Tower's obligations under this Agreement, any Collateral Document or any other Tower Documentation, or (c) Claims arising from or attributable to the transactions contemplated by this Agreement, the Merger Agreement or any Collateral Document or otherwise asserted prior to the earlier to occur of the Tower Merger Effective Time and the Effective Time.

8.2 Release of American. Effective immediately prior to the earlier to

occur of the Tower Merger Effective Time and the Effective Time, American Tower, on behalf of the Tower Subsidiaries, hereby releases American and its other Subsidiaries from all Claims by the Tower Subsidiaries, except for (a) American's obligations under this Agreement, any Collateral Document or any other Tower Documentation, or (b) Claims arising from or attributable to the transactions contemplated by this Agreement, the Merger Agreement or any Collateral Document or otherwise asserted prior to the earlier to occur of the Tower Merger Effective Time and the Effective Time.

ARTICLE 9

TOWER EMPLOYEES

9.1 Offers of Employment. On the Separation Closing Date, the employees

of American listed in Schedule B attached hereto and made a part hereof (the "Tower Employees") shall be offered full-time employment by American Tower or one of its Subsidiaries. If the Tower Merger shall be consummated, during the period from the Tower Merger Effective Time to the Effective Time, the Tower Employees who accept American Tower's offer of full-time employment shall be employed by American Tower and American Tower hereby covenants and agrees that such Tower Employees shall be made available to provide American with such management services as shall enable American to fulfill its obligations under Section 6.10(i) of the Merger Agreement. In rendering such management services, the Tower Employees shall act as leased employees who are not employees of American. American Tower shall be solely responsible for all compensation and employee benefits relating to such Tower Employees; provided, however, that from time to time during the period from the Tower Merger Effective Time to the Effective Time American shall reimburse to American Tower a pro rata portion of each Tower Employee's base salary based upon actual time spent by such Tower Employee providing American management services pursuant to this Section 9.1. Effective immediately prior to the earlier to occur of the Tower Merger Effective Time and the Effective Time, American Tower shall assume all obligations of American (it being understood that American Tower shall have no obligation to reimburse American for obligations that are funded at the Effective Time, but only to the extent such obligations remain funded following the Effective Time, provided that neither CBS nor American nor any of their Subsidiaries shall take any action to impair such funding) arising under any Plan or Benefit Arrangement with respect to the Tower Employees other than (a) the rights, if any, of the Tower Employees with respect to the American Options (which are being satisfied as provided in Section

6.8 of the Merger Agreement), (b) all existing rights to indemnification, and (c) all claims and rights under all medical, dental, health and other benefit plans of American existing as of the Effective Time. American Tower shall indemnify American and its Subsidiaries, effective as of the earlier to occur of the Tower Merger Effective Time and the Effective Time, from all obligations arising under such Plan or Benefit Arrangement (except as provided in clauses (a), (b) and (c) of the preceding sentence). For a period of eighteen (18) months following the consummation of the Merger, American Tower covenants and agrees that no Tower Subsidiary shall actively solicit or seek to hire any employees of American or its Subsidiaries not currently engaged in the Tower Business, other than the Tower Employees, it being understood and agreed that such agreement shall not be deemed to prevent the Tower Subsidiaries from placing general advertisements in publications or on the Internet or soliciting any such employee who (a) initiates employment discussions with any Tower Subsidiary or (b) is not employed by American or CBS or any of their respective Subsidiaries on the date such a member first solicits such employee.

9.2 Section 401(k) Plan Amendment. Prior to the earlier to occur of the

Tower Merger Effective Time and the Effective Time, American shall, to the extent required, amend (a) its Section 401(k) Plan to authorize a transfer of the assets held thereunder for the benefit of the Tower Employees to a Section 401(k) Plan to be established by American Tower and such assets will be so transferred (subject to any outstanding qualified domestic relations orders and loans) and (b) any other Plan or Benefit Arrangements with respect to Tower Employees to reflect the Tower Separation. The form of such amendments shall be submitted to CBS for its approval, which approval shall not be unreasonably withheld, delayed or conditioned.

ARTICLE 10

PURCHASE PRICE ADJUSTMENT

10.1 Purchase Price Adjustment.

(a) Within 90 days after the Closing Date, CBS shall prepare and deliver to American Tower (i) a consolidated balance sheet (the "Closing Balance Sheet") of American and its Subsidiaries (other than the Tower Subsidiaries) (the "Post-Closing American Group"), prepared from the books and records of the Post-Closing American Group in accordance with GAAP, and (ii) a statement (the "Closing Statement") setting forth (A) Working Capital (as defined below) as of the Effective Time ("Closing Working Capital") and (B) Net Debt (as defined below) as of the Effective Time ("Closing Net Debt"), together with a certificate of CBS's chief financial officer that the Closing Statement has been prepared in accordance with this Section 10.1.

During the 45-day period following American Tower's receipt of the Closing Statement, American Tower shall be permitted to review (and make copies of) the working papers of CBS relating to the Closing Statement. The Closing Statement shall become final and binding upon the parties on the forty-sixth day following delivery thereof, unless American Tower gives written notice of its disagreement with the Closing Statement ("Notice of Disagreement") to CBS prior to such date. Any Notice of Disagreement shall (i) specify in reasonable detail the nature of any disagreement so asserted, (ii) only include disagreements based on Closing Working Capital or Closing Net Debt (or the components thereof) not being calculated in accordance with this Section 10.1 and (iii) be accompanied by a certificate of American Tower's chief financial officer that he or she concurs with each of the positions taken by American Tower in the Notice of Disagreement. If a Notice of Disagreement is received by CBS in a timely manner, then the Closing Statement (as revised in accordance with clause (A) or (B) immediately following) shall become final and binding on the earlier of (A) the date CBS and American Tower resolve in writing any differences they have with respect to the matters specified in the Notice of Disagreement or (B) the date any disputed matters are finally resolved in writing by the Accounting Firm (as defined below).

During the 30-day period following delivery of a Notice of Disagreement, CBS and American Tower shall seek in good faith to resolve in writing any differences which they may have with respect to the matters specified in the Notice of Disagreement. During such period CBS shall be permitted to review (and make copies of) the working papers of American Tower prepared in connection with the Notice of Disagreement. At the end of such 30-day period, CBS and American Tower shall submit to an independent accounting firm (the "Accounting Firm") for review and resolution any and all matters which remain in dispute and which were properly included in the Notice of Disagreement and each of CBS and American Tower shall submit a memorandum setting forth in reasonable detail the basis for its positions. The Accounting Firm shall be a nationally recognized independent public accounting firm agreed upon by CBS and American Tower in writing. CBS and American Tower shall jointly use all reasonable efforts to cause the Accounting Firm to render a decision within thirty (30) days following submission or as promptly thereafter as is practicable. CBS and American Tower agree that judgment may be entered upon the determination of the Accounting Firm in any court having jurisdiction over the party against which such determination is to be enforced. The cost of any dispute resolution (including the fees and expenses of the Accounting Firm and reasonable attorney fees and expenses of the parties) pursuant to this Section 10.1 shall be borne by CBS and American Tower in inverse proportion as they may prevail on matters resolved by the Accounting Firm, which proportionate allocations shall also be determined by the Accounting Firm at the time the determination of the Accounting Firm is rendered on the merits of the matters submitted.

(b) Subject to Section 10.1(d), if Closing Working Capital is less than the sum of \$70,000,000 plus \$15,000,000, which the parties hereby agree is the agreed upon value allocable to CBS of the tax benefit attributable to the exercise of all options or the cancellation of options for value between the date of the Original Merger and the Effective Time, including without limitation those canceled pursuant to the provisions of Section 6.8(a) of the Merger Agreement immediately prior to the Effective Time (the "WC Amount"), American Tower shall, and if Closing Working Capital is greater than the WC Amount, CBS shall, owe the other the amount of such difference. The term "Working Capital" shall mean Current Assets minus Liabilities (in each case as defined below). The terms "Current Assets" and "Liabilities" shall mean the current assets and liabilities of the Post-Closing American Group calculated as provided in Section 10.1(a), except that (i) outstanding principal amount of indebtedness and liquidation preference of preferred stock shall be excluded, (ii) cash and note or other receivables from employees attributable to the exercise of stock options shall be excluded, (iii) accruals for Taxes shall be included, except that (A) there shall not be taken into account (I) Tax liabilities (x) for which American Tower is obligated (or would, but for the provisions of Section 4.2(d) (including, notwithstanding the provisions of clause (III) following, the provisions of the last sentence of Section 4.2(d)), be obligated) to indemnify American and its Subsidiaries (other than the Tower Subsidiaries) pursuant to the provisions of this Agreement and (y) of the American Tax Group's in the amount of \$20,000,000 referred to in Section 4.2(b), (II) deferred income Tax assets and liabilities that exist or arise from differences in basis for Tax and financial reporting purposes attributable to acquisitions, exchanges and dispositions or attributable to depreciation and amortization, and (III) Tax benefits arising from (x) net operating losses to the extent such losses have reduced income of the American Tax Group described in Section 4.2(b), (y) the exercise of options or the cancellation of options for value between the date of the Original Merger Agreement and the Effective Time, including without limitation those canceled for value pursuant to the provisions of Section 6.8(a) of the Merger Agreement immediately prior to the Effective Time, or (z) a disqualifying disposition as a result of the Merger of stock received pursuant to the exercise of incentive stock options (it being understood that such Tax benefits enter into the computation of Tax liabilities for which American Tower is obligated to indemnify American and its Subsidiaries (other than the Tower Subsidiaries) pursuant to the provisions of this Agreement), and (B) accruals for Taxes relating to acquisitions, exchanges or dispositions shall be determined in accordance with American's past accounting practices, (iv) Current Assets shall be increased by an amount equal to the sum of (x) the amount derived by multiplying the Cash Consideration by the number of shares of American Common Stock held in its treasury as of the Effective Time and (y) the aggregate amount of the spread of \$44.00 over the exercise price of each American Option outstanding on the close of business on September

19, 1997 terminated or canceled not for value prior to the Effective Time or for which the holder has elected to receive an option to acquire Tower Common Stock in lieu thereof, less the Tax benefit that would have been received with respect to the exercise of such options, (v) Current Assets shall be (A) increased (if the number of shares of American Common Stock issued or issuable upon conversion of the American Convertible Preferred Stock is fewer than 3,750,000 (or if the Tower Merger Effective Time shall have occurred, 3,750,000 multiplied by the American Conversion Fraction)) by an amount equal to the amount derived by multiplying the Cash Consideration by the excess of (I) 3,750,000 (or if the Tower Merger Effective Time shall have occurred, 3,750,000 multiplied by the American Conversion Fraction) less (II) the number of shares of American Common Stock issued or issuable upon conversion of the American Convertible Preferred Stock or (B) decreased (if the number of shares of American Common Stock issued or issuable upon conversion of the American Convertible Preferred Stock is greater than 3,750,000 (or if the Tower Merger Effective Time shall have occurred, 3,750,000 multiplied by the American Conversion Fraction) by an amount equal to the amount derived by multiplying the Cash Consideration by the excess of (I) the number of shares of American Common Stock issued or issuable upon conversion of the American Convertible Preferred Stock less (II) 3,750,000 (or if the Tower Merger Effective Time shall have occurred, 3,750,000 multiplied by the American Conversion Fraction), (vi) liabilities from the radio broadcasting rights contracts for St. Louis Rams games shall be limited to \$3,300,000, (vii) amounts owed by American Tower to American pursuant to Section 16.3(b) shall be excluded from Current Assets, and liabilities of American, if any, with respect to such amounts shall be excluded from Liabilities (it being understood that neither American nor CBS shall be responsible for any such liabilities), and (viii) there shall be excluded from Liabilities the liability, if any, of American with respect to payments required to be made by American pursuant to the provisions of Section 6.8(a) of the Merger Agreement.

(c) Subject to Section 10.1(d), if Closing Net Debt is greater than the Debt Amount (as defined below) minus \$50,419,000, minus cash received by the Post-Closing American Group in respect of options exercised between September 19, 1997 and the Effective Time (the "CD Amount"), American Tower shall, and if Closing Net Debt is less than the CD Amount, CBS shall, owe the other the amount of such difference. "Debt Amount" shall mean \$1,066,721,000, minus the consideration that was expected to be paid (as set forth on Section 6.10(a) of the American Disclosure Schedule) with respect to all acquisitions set forth in Section 6.10(a) of the American Disclosure Schedule which were not consummated prior to the Closing Date, plus the consideration that was expected to be received (as set forth in Section 6.10(a) of the American Disclosure Schedule) with respect to all dispositions set forth in Section 6.10(a) of the American Disclosure Schedule which were not consummated prior to the Closing Date, plus the consideration paid in connection with acquisitions consummated prior to the Closing Date which were not listed in Section 6.10(a) of the American Disclosure Schedule, minus the consideration received in connection with dispositions consummated prior to the Closing Date which were not listed in Section 6.10(a) of the American Disclosure Schedule. The term "Net Debt" shall mean outstanding principal amount of indebtedness (including, without duplication, guarantees of indebtedness) plus outstanding liquidation preference of all preferred stock (other than the American Convertible Preferred Stock), including, without limitation, the aggregate liquidation preference of any junior preferred security issued by American to CBS, minus cash, including, without limitation, the aggregate purchase price of any such junior preferred security issued by American to CBS; provided, however, that notwithstanding the foregoing, Net Debt shall not include any indebtedness incurred by American or any of its Subsidiaries (other than the Tower Subsidiaries) to fund (i) payments, if any, required to be made by American pursuant to the provisions of Section 6.8(a) of the Merger Agreement, or (ii) any liability, including without limitation those set forth in Section 16.3, for which American Tower has, prior to the determination of the Final Adjustment Amount, in fact, reimbursed American.

(d) Amounts owed pursuant to the first sentence of Section 10.1(b) and the first sentence of 10.1(c) shall be aggregated or netted, as appropriate (the resulting amount, the "Adjustment Amount"). In the event that the Adjustment Amount minus \$10,000,000 is greater than \$0 (the "Final Adjustment Amount"), the party that owes the Final Adjustment Amount shall make payment by wire transfer of

immediately available funds of the Final Adjustment Amount. Notwithstanding the foregoing, in the event that American Tower delivers a Notice of Disagreement to CBS in accordance with this Section 10 and either CBS or American Tower shall be required to make a payment to the other regardless of the resolution of the items contained in the Notice of Disagreement, then CBS or American Tower, as applicable, shall, within ten (10) business days of the receipt of the Notice of Disagreement, make payment to the other by wire transfer in immediately available funds of the lesser of the two amounts (the "Undisputed Portion") that may be owed by CBS or American Tower, as applicable, pending resolution of the items contained in the Notice of Disagreement. Interest on any amount payable hereunder shall accrue at a rate of interest equal to the lesser of (i) 10% per annum and (ii) if American Tower is being charged a rate of interest by a financial institution, such rate, but in not event lower than the prime rate as reported in the Wall Street Journal on the

date the Closing Statement becomes final and binding on the parties, in the case of the Final Adjustment Amount, or, on the date of the Notice of Disagreement, in the case of any Undisputed Portion, calculated on the basis of the actual number of days elapsed divided by 365, from the date of the Effective Time to the date of actual payment. For Tax purposes, any such interest shall be treated as an item of income or expense and shall not be treated as having the effect provided for in Section 4.2(k)(ii). The amount of any payment of an Undisputed Portion (excluding interest) shall be credited against the Final Adjustment Amount. Any payment made by American Tower with respect to the Final Adjustment Amount shall be made to CBS in connection with American Tower's assumption of American's tax liability and American Tower's agreement to pay certain purchase price adjustment items, and American Tower's intention that such assumption and payment was on behalf of its stockholders who formerly were stockholders or optionees of American.

(e) The scope of the disputes to be resolved by the Accounting Firm is limited to whether the Closing Statement was prepared in compliance with the requirements of this Section 10.1 and the allocation of the costs of dispute resolution, and the Accounting Firm is not to make any other determination.

(f) During the period of time from and after the delivery of the Closing Statement to American Tower through the date the Closing Statement becomes final and binding on CBS, American and American Tower, CBS shall cause the Post-Closing American Group to afford to American Tower and any accountants, counsel or financial advisors retained by American Tower in connection with the adjustment contemplated by this Section 10.1 reasonable access (with the right to make copies) during normal business hours to the books and records of the Post-Closing American Group to the extent relevant to the adjustment contemplated by this Section 10.1.

(g) Any adjustment pursuant to this Section 10.1 shall be taken into account in the calculation of Tax liability pursuant to Section 4.2(b), and any increase or decrease in the amount of Taxes that are reimbursable or indemnifiable by the Tower Subsidiaries as a result of any such adjustment shall be treated as an adjustment to Taxes for purposes of Section 4.2(f). Nothing in this Section 10.1(g) shall impair, restrict or otherwise qualify or affect in any way the obligations of the parties hereto set forth in Article 4 relating to the tax reporting for the Tower Separation.

ARTICLE 11

TOWER LEASES

11.1 Tower Leases. Prior to the earlier to occur of the Tower Merger

Effective Time and the Effective Time, CBS and American shall agree on the definitive documentation ("Tower Leases") to be executed by American and American Tower with respect to certain broadcasting towers set forth in Schedule C attached hereto and made a part hereof ("Towers"). The markets in which such Towers are located and the annual "market price" for each antenna are set forth in Schedule C. Except as set forth in Schedule C, such Towers are now owned or leased by American and shall become the property of American Tower, as

set forth in Section 11.2. Each of the Tower Leases shall contain standard and customary terms and conditions and CBS and American specifically agree to the inclusion of the following in each of the Tower Leases:

(a) except as provided in clause (b) below with respect to those Tower Leases set forth in Section 6.19 of the American Disclosure Schedule, each Tower Lease shall be for a term of twenty (20) years with four (4) renewal periods of five (5) years each, each such renewal to be upon the same terms and conditions as the original Tower Lease;

(b) prior to the earlier to occur of the Tower Merger Effective Time and the Effective Time, American shall use its best efforts to extend the term of each lease set forth in Section 6.19 of the American Disclosure Schedule ("Land Leases") to a minimum duration of twenty (20) years, inclusive of renewal periods, if any, and provide CBS with respect to the Towers subject to the extended Land Leases, tower leases with the equivalent benefits set forth in clauses (c), (d) and (e) and for a minimum duration of twenty (20) years ("Extended Tower Leases"). With respect to any such Land Lease that is not, prior to ninety (90) days following the Effective Time, so extended (except with respect to the Land Lease for KUFX(FM), which present term of approximately eighteen (18) remaining years shall be deemed to satisfy the foregoing requirement of a minimum duration of twenty (20) years), American, American Tower and CBS shall negotiate in good faith to agree upon definitive documentation to provide CBS, prior to the determination of the Final Adjustment Amount, with respect to the Towers subject to such Land Leases, upon the failure to agree American Tower shall provide American and CBS with tower leases with the benefits equivalent of such Extended Tower Leases or mutually agreed to alternative arrangements providing equivalent value to CBS;

(c) each Tower Lease shall provide that no payments shall be payable by CBS for a period of three (3) years from the Effective Time; for the next three (3) years the payments shall be as follows: one-third (1/3) of the market price as set forth in Schedule C corresponding to each FM antenna (or AM/FM antenna) for year four (4); two-thirds (2/3) for year five (5) and full market price for year six (6); thereafter, for the balance of the term and any renewals thereof, the payments shall be the market price, together with an annual increase every year, beginning for year seven (7), of the lesser of five percent (5%) or the Consumer Price Index for all Urban Consumers over the previous year's payments (except with respect to San Jose (KUFX) and Boston (WNFT) which such payments shall begin at the Effective Time, with respect to CBS, and will begin on January 1, 1998 as between American and American Tower). Notwithstanding the foregoing, CBS acknowledges that Tower Lease payments at the full "market price" indicated in Schedule C by American to American tower may commence upon such leases becoming the property of American Tower and shall continue until the Effective Time;

(d) all expenses for taxes, insurance, maintenance and utilities in respect of each Tower shall be paid by American Tower; and

(e) American Tower will assume the obligation and responsibility for complying with all Applicable Law with respect to the Towers.

11.2 Conveyance of Towers. Except as otherwise provided by Section 11.1,

at the earlier to occur of the Tower Merger Effective Time and the Effective Time, American shall, or shall cause its Subsidiaries to, as applicable, contribute, transfer or convey to American Tower (by, as appropriate, deed warranting only against transferor's acts or assignment of lease) the assets described in Section 6.17 of the American Disclosure Schedule, and American Tower shall assume all of American's and such Subsidiaries' obligations with respect to such assets. In the event American (or one of its Subsidiaries) does not, at the Effective

Time, own any such assets, it shall, or shall cause its Subsidiaries to, so convey such assets to American Tower promptly after the acquisition thereof by American or any such Subsidiary.

11.3 Change of Name; Trademark Matters. Within ten (10) days after the

Effective Time, CBS and its Subsidiaries shall file, if necessary, certificates of amendment with the appropriate Secretary of State to amend its Organic Documents so that no subsidiary of CBS shall have a name which includes the words "American Radio". Immediately prior to the Effective Time, American will assign to American Tower or its designee all right, title and interest, including all the goodwill related thereto, in and for past infringements of the name "American Radio" and related trademarks, service marks, logos and the like, subject to the rights of American under this Section 11.3. As soon as commercially practicable, but in no event later than six (6) months from the Effective Time, CBS and its Subsidiaries shall cease all use of the name "American Radio" in all modes.

ARTICLE 12

TRANSITIONAL SERVICES

12.1 Reasonable Best Efforts. From and after the Effective Time, and upon

the terms and subject to the conditions set forth in this Agreement, each of CBS, American and American Tower shall use its reasonable best efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with the other in doing, all things necessary, proper or advisable to provide, in the most expeditious manner practicable, the goods and/or services described in this Article 12.

12.2 Assistance with Reporting.

(a) During the period between the earlier to occur of the Tower Merger Effective Time and the Effective Time and 180 days after the Effective Time, American Tower agrees to make available its employees having the appropriate experience and expertise, in Boston and on a mutually convenient and timely basis, to American or any Subsidiary of American (other than Tower Subsidiaries) to provide reasonable assistance in the preparation and finalization of all information required by American or any Subsidiary of American (other than Tower Subsidiaries) to (i) be filed with any Authority or (ii) be provided to security holders pursuant to any Contract, including, but not limited to, filings with the SEC, filings with state regulatory Authorities, and filings with other Authorities where financial statements or financial information are required to be filed. During the period between the earlier to occur of the Tower Merger Effective Time and the Effective Time and 180 days after the Effective Time, American Tower agrees to use its reasonable business efforts to cause such employees to provide such reasonable assistance, in Boston and on a mutually convenient and timely basis, with any other filings with any Authorities that must be completed for any entity owned or previously held by American, including but not limited to Forms 10-Q, 10-K and 11-K under the Exchange Act and Forms 5500 under ERISA.

(b) If the Effective Time occurs subsequent to June 30, 1998 and prior to August 14, 1998, American Tower shall use its reasonable best efforts, including without limitation the making available of American Tower employees having the appropriate experience and expertise, in Boston and on a mutually convenient and timely basis, to assist CBS in the timely preparation of American's 1998 second quarter financial statements or financial information, including without limitation a "Management's Discussion and Analysis of Financial Condition and Results of Operations" section meeting the requirements specified in Item 303 of Regulation S-K under the Securities Act, that is required to be provided to security holders under any Contract relating to American's debt securities and preferred stock.

(c) From and after the earlier to occur of the Tower Merger Effective Time and the Effective Time, American Tower shall provide, on a timely basis, financial statements or financial information relating to periods ending on or before the earlier to occur of the Tower Merger Effective Time or the Effective Time with respect to American Tower that American, any Subsidiary of American (other than the Tower Subsidiaries) or CBS may require in connection with the preparation, audit and filing of information required to (i) be filed with any Authority or (ii) required to be provided to security holders pursuant to any Contract, including, but not limited to, filings with the SEC, filings with state regulatory Authorities, and filings with other Authorities where financial statements or financial information are required to be filed. American Tower shall cause such employees to provide such American Tower financial statements or financial information in connection with any filing with any Authority that must be completed for any entity owned or previously held by American.

12.3 Assistance with Financial Software Systems. During the period between

the earlier to occur of the Tower Merger Effective Time and the Effective Time and 90 days after the Effective Time, American Tower shall provide reasonable assistance with and use its reasonable business efforts to make available employees of American Tower having the appropriate experience and expertise, in Boston and on a mutually convenient and timely basis, to consult with CBS and American regarding the financial software systems currently used by American (including, without limitation, such systems being known as the Accpac System).

12.4 Assistance with Resolution of Prior Transactions.

(a) From and after the earlier to occur of the Tower Merger Effective Time and the Effective Time, American Tower shall make available senior management employees (both operations personnel and management personnel), as well as any of their subordinates necessary to render the assistance described in this Section 12.4, in Boston and on a mutually convenient and timely basis, to consult with and to assist CBS and American in the resolution of all transactions entered into by American prior to the earlier to occur of the Tower Merger Effective Time and the Effective Time (each, a "Prior Transaction"). Such consultation and assistance shall include, but not be limited to, the provision of any information relating to the Prior Transactions, the calculation of any post-closing adjustments necessary in connection with any Prior Transaction, the resolution of lawsuits in connection with any Prior Transaction and the compliance with any agreements entered into with the FCC in connection with any Prior Transaction.

(b) American Tower shall make available employees of American Tower having the appropriate experience and expertise, in Boston and on a mutually convenient and timely basis, to consult with CBS in identifying and resolving any contingent liabilities of American arising prior to the Effective Time.

(c) From and after the earlier to occur of the Tower Merger Effective Time and the Effective Time, American Tower shall cooperate with, and provide assistance to, CBS and American in consummating the transfer by American of the assets to American Tower pursuant to this Agreement.

12.5 Certain Assets. Promptly after the Closing, American Tower shall

deliver to a location designated by CBS (i) all books and records of American and each of its Subsidiaries (other than the Tower Subsidiaries), including, but not limited to, minute books, stock transfer ledgers, tax records, and all financial records of American, whether in electronic or physical form, including an inventory specifically identifying, in reasonable detail, the contents of such records; (ii) all software and hardware of American and each of its Subsidiaries (other than the Tower Subsidiaries) wherever located, including without limitation those located at 116 Huntington Avenue, Boston, MA, 02116; provided, however, that, notwithstanding the foregoing, American shall use its reasonable best efforts to permit American Tower to retain such software and hardware for a reasonable period after the Closing, not to exceed 90 days, in order to replace it with comparable software and hardware and to fulfill its obligations under this Agreement; and (iii) all other

assets of American, wherever located, other than any such assets listed on Schedule D attached hereto and made a part hereof or transferred by American to American Tower pursuant to the transactions contemplated by this Agreement; provided, however, that notwithstanding the foregoing, American Tower need not deliver any document or other information as to which American Tower has been advised by its counsel is protected by the attorney-client privilege between American Tower and such counsel. American Tower shall be entitled, at its expense, to make copies of all such books and record, software (to the extent permitted by applicable licensing agreements) and financial records and, to the extent that it elects not to so make copies, CBS will make all such books and records, software and financial records available to American Tower and its advisers, from time to time, with the right (subject, in the case of software, to applicable licensing agreements) to make copies thereof.

12.6 Access to Third Party Work Products. American Tower shall cooperate

with CBS in obtaining access to American's independent auditors' working papers prepared for periods prior to the Effective Time and to all other documents, to the extent such documents are not available to be delivered by American Tower to CBS promptly after the Effective Time pursuant to Section 12.5, prepared by accountants, lawyers, tax advisors and other third parties retained by American prior to the Effective Time, including, but not limited to, management letters and representation letters, it being understood that to the extent such documents relate primarily to any Tower Subsidiary they shall be retained by American Tower's accountants, lawyers, tax advisors and other third parties retained by it and not delivered to CBS; provided, however, that notwithstanding the foregoing, American Tower need not provide access to any document or other information that it has been advised by its counsel is protected by the attorney-client privilege between American Tower and such counsel. CBS and American Tower will make all such documents available to the other and its advisers, from time to time, with the right to make copies thereof and shall cooperate with each other in obtaining access to American's and American Tower's independent auditors' working papers prepared for periods prior to the Effective Time.

12.7 Confidentiality. In accordance with their respective rights under

this Agreement, each of CBS, American and American Tower may learn confidential information about each other. Each of CBS, American and American Tower shall hold, and shall cause its controlled Affiliates, consultants and advisors to hold, any such information which it so learns in confidence.

ARTICLE 13

REPRESENTATIONS AND WARRANTIES OF AMERICAN

American hereby represents and warrants to American Tower and CBS as follows:

13.1 Organization and Business; Power and Authority; Effect of Transaction.

(a) American is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware.

(b) American has all requisite power and authority (corporate and other) to execute, deliver and perform its obligations under this Agreement and each Collateral Document executed or required to be executed by such party pursuant hereto or thereto and to consummate the transactions contemplated hereby and thereby, and the execution, delivery and performance of this Agreement and each Collateral Document executed or required to be executed pursuant hereto or thereto have been duly authorized by all requisite corporate or other action on the part of American and its Subsidiaries, other than the Tower Subsidiaries, and no other corporate proceedings on the part of American or any of such Subsidiaries are necessary to authorize this Agreement or the transactions contemplated hereby. This Agreement has been duly executed

and delivered by American and constitutes, and each Collateral Document executed or required to be executed by American and its Subsidiaries (other than the Tower Subsidiaries) pursuant hereto when executed and delivered by American and such Subsidiaries, as applicable, will constitute, a valid and binding obligation of American and such Subsidiaries, as applicable, enforceable in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, moratorium, insolvency and similar laws affecting the rights and remedies of creditors and obligations of debtors generally and by general principles of equity. American has heretofore received the requisite consent of the holders of more than a majority of (i) the outstanding shares of American Cumulative Preferred Stock to the Tower Separation in accordance with the Certificate of Designation of the American Cumulative Preferred Stock, (ii) the 9% Senior Subordinated Notes due 2006 to the Tower Separation pursuant to the Merger in accordance with the indenture pursuant to which such notes are outstanding, and (iii) the 9 3/4% Senior Subordinated Notes due 2005 to the Tower Separation pursuant to the Merger in accordance with the indenture pursuant to which such notes are outstanding.

(c) The execution, delivery and performance by American and its Subsidiaries, as applicable, of this Agreement and any Collateral Document executed or required to be executed by such parties pursuant hereto or thereto do not, and the consummation by American of the transactions contemplated hereby and thereby, and compliance with the terms, conditions and provisions hereof or thereof by such parties will not:

(i) (A) Except (x) as set forth in Section 4.1(c) of the American Disclosure Schedule, and (y) for the consent of the banks under its Credit Agreements, dated as of January 24, 1997, with The Bank of New York, as Collateral Agent and Administrative Agent, and the other agents named therein and lenders party thereto to the effectuation of the Tower Separation pursuant to the Tower Merger conflict with, or result in a breach or violation of, or constitute a default under, any Organic Document of American or its Subsidiaries, as applicable, or (B) conflict with, or result in a breach or violation of, or constitute a default under, or permit the termination, cancellation or acceleration of any obligation or liability in, or but for any requirement of the giving of notice or passage of time or both would constitute such a conflict with, breach or violation of, or default under, or permit any such termination, cancellation or acceleration of, any agreement, arrangement, contract, undertaking, understanding, Applicable Law or other obligation or Private Authorization of American or its Subsidiaries, as applicable, except, in the case of clause (B), for such conflicts, breaches, violations, terminations, cancellations, defaults or accelerations that would not, individually or in the aggregate, be reasonably likely to have a Material Adverse Effect on American; or

(ii) result in or permit the creation or imposition of any Lien upon any property now owned or leased by American except for such Liens that would not, individually or in the aggregate, be reasonably likely to have a Material Adverse Effect on American; or

(iii) require any Governmental Authorization or Governmental Filing except for (A) the filing with the Commission of (I) the Information Statement and the Registration Statements and (II) such reports under Section 13(a) or 15(d) of the Exchange Act as may be required in connection with this Agreement and the transactions contemplated by this Agreement, and (B) such other Governmental Authorizations and Governmental Filings the failure of which to be made or obtained would not be individually or in the aggregate, reasonably likely to have a Material Adverse Effect on American.

13.2 Shares of American Tower. The number of shares of American Tower that

are on the date hereof, and will at the Effective Time be, authorized and outstanding and owned by American is and will be equal to the number of authorized and outstanding shares of American Common Stock, the number of shares of American Common Stock issuable upon the exercise of Option Securities, the number of shares of American Common Stock issuable in respect of any employee benefit plan of American, including without

limitation, any 401(k) or ESOP Plan, and upon the conversion of Convertible Securities (except with respect to shares of American Common Stock subject to American Options set forth on Schedule 4.1(e) to the Merger Agreement which are held by Tower Employees who have stated that they will enter into definitive agreements to have such American Options assumed by American Tower and converted into options to acquire Tower Common Stock in accordance with Section 6.8(b) of the Merger Agreement), and such shares of American Tower include a number sufficient to enable American to satisfy its obligations with respect to the delivery of shares of American Tower to security holders of American under the Merger Agreement.

ARTICLE 14

REPRESENTATIONS AND WARRANTIES OF AMERICAN TOWER

American Tower hereby represents and warrants to American and CBS as follows:

14.1 Organization and Business; Power and Authority; Effect of Transaction. -----

(a) American Tower is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware.

(b) American Tower has all requisite power and authority (corporate and other) to execute, deliver and perform its obligations under this Agreement and each Collateral Document executed or required to be executed by such party pursuant hereto or thereto and to consummate the transactions contemplated hereby and thereby, and the execution, delivery and performance of this Agreement and each Collateral Document executed or required to be executed pursuant hereto or thereto have been duly authorized by all requisite corporate or other action on the part of American Tower and its Subsidiaries, and no other corporate proceedings on the part of American Tower or any of its Subsidiaries are necessary to authorize this Agreement or the transactions contemplated hereby. This Agreement has been duly executed and delivered by American Tower and constitutes, and each Collateral Document executed or required to be executed by American Tower and its Subsidiaries pursuant hereto when executed and delivered by American Tower and its Subsidiaries, as applicable, will constitute, a valid and binding obligation of American Tower and its Subsidiaries, as applicable, enforceable in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, moratorium, insolvency and similar laws affecting the rights and remedies of creditors and obligations of debtors generally and by general principles of equity.

(c) The execution, delivery and performance by American Tower and its Subsidiaries, as applicable, of this Agreement and any Collateral Document executed or required to be executed by such parties pursuant hereto or thereto do not, and the consummation by American Tower of the transactions contemplated hereby and thereby, and compliance with the terms, conditions and provisions hereof or thereof by such parties will not:

(i) (A) conflict with, or result in a breach or violation of, or constitute a default under, any Organic Document of American Tower or its Subsidiaries, as applicable, or (B) conflict with, or result in a breach or violation of, or constitute a default under, or permit the termination, cancellation or acceleration of any obligation or liability in, or but for any requirement of the giving of notice or passage of time or both would constitute such a conflict with, breach or violation of, or default under, or permit any such termination, cancellation or acceleration of, any agreement, arrangement, contract, undertaking, understanding, Applicable Law or other obligation or Private Authorization of American Tower or its Subsidiaries, as applicable, except, in the case of clause (B), for such conflicts, breaches, violations, terminations, cancellations, defaults or accelerations that

would not, individually or in the aggregate, be reasonably likely to have a Material Adverse Effect on American Tower; or

(ii) result in or permit the creation or imposition of any Lien upon any property now owned or leased by American Tower except for such Liens that would not, individually or in the aggregate, be reasonably likely to have a Material Adverse Effect on American Tower; or

(iii) require any Governmental Authorization or Governmental Filing except for (A) the filing with the Commission of (I) the Information Statement and the Registration Statement and (II) such reports under Section 13(a) or 15(d) of the Exchange Act as may be required in connection with this Agreement and the transactions contemplated by this Agreement, and (B) such other Governmental Authorizations and Governmental Filings the failure of which to be made or obtained would not be individually or in the aggregate, reasonably likely to have a Material Adverse Effect on American Tower.

14.2 Shares of American Tower. The number of shares of American Tower that -----

have been issued by American Tower to American is equal to the number of authorized and outstanding shares of American Common Stock, the number of shares of American Common Stock issuable upon the exercise of Option Securities, the number of shares of American Common Stock issuable in respect of any employee benefit plan of American, including without limitation, any 401(k) or ESOP Plan, and upon the conversion of Convertible Securities (except with respect to shares of American Common Stock subject to American Options set forth on Schedule 4.1(e) to the Merger Agreement which are held by Tower Employees who have stated that they will enter into definitive agreement to have such American Options assumed by American Tower and converted into options to acquire Tower Common Stock in accordance with Section 6.8(b) of the Merger Agreement), and such shares of American Tower include a number sufficient to enable American to satisfy its obligations with respect to the delivery of shares of American Tower to security holders of American under the Merger Agreement.

ARTICLE 15

CONDITIONS

15.1 Conditions to Obligations of Each Party to Effect the Tower -----

Separation. The respective obligations of each party to effect the Tower Separation shall be subject to the satisfaction on the Separation Closing Date of the following conditions, any or all of which may be waived, in whole or in part, to the extent permitted by Applicable Law; provided, however, that American may not waive any such condition, in whole or in part, without the express written consent of CBS (which consent shall not be unreasonably withheld, delayed or conditioned):

(a) the parties shall have received written approval of CBS approving all of the Tower Documentation (other than this Agreement including Appendix A), including without limitation any and all ancillary documentation and any documentation relating to the mechanics of effecting the Tower Separation (it being understood that this Agreement constitutes only part of the Tower Documentation), which consent shall not be unreasonably withheld, delayed or conditioned;

(b) if the Tower Separation shall occur pursuant to the Tower Merger, each condition to the closing of the Tower Merger set forth in Article 6 of the Tower Merger Agreement shall have been satisfied or waived;

(c) if the Tower Separation shall occur pursuant to the Merger, each condition to the closing of the Merger set forth in Article 7 of the Merger Agreement shall have been satisfied or waived;

(d) each of the Merger Registration Statement, the Option Registration Statement and the Convertible Registration Statement shall have been declared effective by the Commission under the Securities Act and shall not be the subject of any stop order or proceeding by the Commission seeking a stop order; and

(e) no Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Law (whether temporary, preliminary or permanent) that remains in effect and restrains, enjoins or otherwise prohibits consummation of the Tower Separation.

15.2 Conditions to Obligations of American Tower. The obligation of

American Tower to effect the Tower Separation shall be subject to the satisfaction of the following conditions, any or all of which may be waived, in whole or in part, to the extent permitted by Applicable Law:

(a) the representations and warranties of American set forth in this Agreement shall be true and correct as of the date of this Agreement and as of the Separation Closing Date as though made on and as of the Separation Closing Date except (x) to the extent such representations and warranties expressly speak as of an earlier date (in which case such representations and warranties shall be true and correct as of such earlier date) and (y) to the extent that the failure of such representations and warranties to be true and correct, individually or in the aggregate, would not have a Material Adverse Effect on American; provided, however, that for the purpose of this clause (y), representations and warranties that are qualified as to materiality (including by reference to "Material Adverse Effect") shall not be deemed to be so qualified; and

(b) American shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Separation Closing Date.

15.3 Conditions to Obligations of American. The obligation of American to

effect the Tower Separation shall be subject to the satisfaction of the following conditions, any or all of which may be waived, in whole or in part, to the extent permitted by Applicable Law; provided, however, that American may not waive any such condition, in whole or in part, without the express written consent of CBS (which consent shall not be unreasonably withheld, delayed or conditioned):

(a) the representations and warranties of American Tower set forth in this Agreement shall be true and correct as of the date of this Agreement and as of the Separation Closing Date as though made on and as of the Separation Closing Date except (x) to the extent such representations and warranties expressly speak as of an earlier date (in which case such representations and warranties shall be true and correct as of such earlier date) and (y) to the extent that the failure of such representations and warranties to be true and correct, individually or in the aggregate, would not have a Material Adverse Effect on American Tower; provided, however, that for the purpose of this clause (y), representations and warranties that are qualified as to materiality (including by reference to "Material Adverse Effect") shall not be deemed to be so qualified; and

(b) American Tower shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Separation Closing Date.

ARTICLE 16

GENERAL PROVISIONS

16.1 Amendment. This Agreement may be amended from time to time by the

parties hereto at any time prior to the Separation Closing Date but only by an instrument in writing signed by the parties hereto.

16.2 Waiver. At any time prior to the Separation Closing Date, except to

the extent not permitted by Applicable Law, any party may, either generally or in a particular instance and either retroactively or prospectively, extend the time for the performance of any of the obligations or other acts of the other, waive any inaccuracies in the representations and warranties of the other contained herein or in any document delivered pursuant hereto, and waive compliance by the other with any of the agreements, covenants, conditions or other provision contained herein. Any such extension or waiver shall be valid only if set forth in an instrument in writing signed by the party or parties to be bound thereby.

16.3 Fees, Expenses and Other Payments. Promptly following the Effective

Time, American Tower shall pay to American in immediately available funds (and make American whole on an after-tax basis under the principles set forth in Sections 3.4(b) and 3.5) an amount equal to the aggregate costs and expenses incurred by American in connection with any agreement, arrangement or understanding (other than this Agreement) entered into by American, American Tower Mergercorp or any Tower Subsidiary following the date of the Original Merger Agreement (i) for the benefit of any Tower Subsidiary, (ii) in contemplation of the Tower Separation or (iii) in connection with the sale, assignment, transfer or other disposition of shares of American Tower Common Stock, including without limitation such costs and expenses incurred by American to Merrill Lynch Pierce Fenner & Smith Incorporated and any such costs and expenses incurred by American to CSFB in excess of those set forth in the engagement letter between American and CSFB provided by American to Mergeparty in accordance with Section 4.14 of the Original Merger Agreement.

16.4 Notices. All notices and other communications which by any provision

of this Agreement are required or permitted to be given shall be given in writing and shall be (a) mailed by first-class or express mail, postage prepaid, or by recognized courier service, (b) sent by telecopy or other form of rapid transmission, confirmed by mailing (by first class or express mail, postage prepaid, or by recognized courier service) written confirmation at substantially the same time as such rapid transmission, or (c) personally delivered to the receiving party (which if, other than an individual, shall be an officer or other responsible party of the receiving party). All such notices and communications shall be mailed, sent or delivered as follows:

(a) If to American:

American Radio Systems Corporation
116 Huntington Avenue
Boston, Massachusetts 02116
Attention: Eric Mettlor
Telecopier No.: (617) 375-7575

with a copy to:

CBS Corporation
11 Stanwix Street
Pittsburgh, Pennsylvania 15222
Attention: Louis J. Briskman, Esq.
Telecopier No.: (412) 642-5224

and

Cravath, Swaine & Moore
825 Eighth Avenue
New York, New York 10019
Attention: Allen Finkelson, Esq.
Telecopier No.: (212) 474-3700

(b) If to American Tower:

American Tower Systems Corporation
116 Huntington Avenue
Boston, Massachusetts 02116
Attention: Steven B. Dodge, President and Chief Executive
Officer
Telecopier No.: (617) 375-7575

with a copy to:

Sullivan & Worcester LLP
One Post Office Square
Boston, Massachusetts 02109
Attention: Norman A. Bikales, Esq.
Telecopier No.: (617) 338-2880

(c) If to CBS:

CBS Corporation
11 Stanwix Street
Pittsburgh, Pennsylvania 15222
Attention: Louis J. Briskman, Esq.
Telecopier No.: (412) 642-5224

with a copy to:

Cravath, Swaine & Moore
825 Eighth Avenue
New York, New York 10019
Attention: Allen Finkelson, Esq.
Telecopier No.: (212) 474-3700

or to such other person(s), telex or facsimile number(s) or address(es) as the party to receive any such communication or notice may have designated by written notice to the other party.

16.5 Specific Performance; Other Rights and Remedies. Each party

recognizes and agrees that in the event any other party should refuse to perform any of its obligations under this Agreement or any Collateral Document, the remedy at law would be inadequate and agrees that for breach of such provisions, each party shall, in addition to such other remedies as may be available to it at law or in equity, be entitled to injunctive relief and to enforce its rights by an action for specific performance to the extent permitted by Applicable Law. Each party hereby waives any requirement for security or the posting of any bond or other surety in connection with any temporary or permanent award of injunctive, mandatory or other equitable relief. Nothing herein contained shall be construed as prohibiting each party from pursuing any other remedies available to it under Applicable Law or pursuant to the provisions of this Agreement for such breach or threatened breach, including without limitation the recovery of damages, including, to the extent awarded in any Legal Action, punitive, incidental and consequential damages (including without limitation damages for diminution in value and loss of anticipated profits) or any other measure of damages permitted by Applicable Law.

16.6 Survival of Representations, Warranties, Covenants and Agreements. The

representations, warranties, covenants and agreements in this Agreement shall survive the Tower Separation.

16.7 Severability. If any term or provision of this Agreement shall be

held or deemed to be, or shall in fact be, invalid, inoperative, illegal or unenforceable as applied to any particular case in any jurisdiction or jurisdictions, or in all jurisdictions or in all cases, because of the conflicting of any provision with any constitution or statute or rule of public policy or for any other reason, such circumstance shall not have the effect of rendering the provision or provisions in question invalid, inoperative, illegal or unenforceable in any other jurisdiction or in any other case or circumstance or of rendering any other provision or provisions herein contained invalid, inoperative, illegal or unenforceable to the extent that such other provisions are not themselves actually in conflict with such constitution, statute or rule of public policy, but this Agreement shall be reformed and construed in any such jurisdiction or case as if such invalid, inoperative, illegal or unenforceable provision had never been contained herein and such provision reformed so that it would be valid, operative and enforceable to the maximum extent permitted in such jurisdiction or in such case. Notwithstanding the foregoing, in the event of any such determination, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible to the fullest extent permitted by Applicable Law in an acceptable manner to the end that the Tower Separation is fulfilled and consummated to the maximum extent possible.

16.8 Counterparts. This Agreement may be executed in several counterparts,

each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, binding upon all of the parties. In pleading or proving any provision of this Agreement, it shall not be necessary to produce more than one of each such counterparts.

16.9 Section Headings. The headings contained in this Agreement are for

reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

16.10 Governing Law. The validity, interpretation, construction and

performance of this Agreement shall be governed by, and construed in accordance with, the Applicable Laws of the United States of America and the laws of the State of New York applicable to contracts made and performed in such State and, in any event, without giving effect to any choice or conflict of laws provision or rule that would cause the application of domestic substantive laws of any other jurisdiction, except to the extent the corporate laws of the State of Delaware are applicable. Anything in this Agreement to the contrary notwithstanding, in the event of any dispute between the parties which results in a Legal Action, the prevailing party shall be entitled to receive from the non-prevailing party reimbursement for reasonable legal fees and expenses incurred by such prevailing party in such Legal Action.

16.11 Further Acts. Each party agrees that at any time, and from time to

time, before and after the consummation of the transactions contemplated by this Agreement, it will do all such things and execute and deliver all such Collateral Documents and other assurances, as the other party or its counsel reasonably deems necessary or desirable in order to carry out the terms and conditions of this Agreement and the transactions contemplated hereby or to facilitate the enjoyment of any of the rights created hereby or to be created hereunder.

16.12 Entire Agreement; No Other Representations or Agreements. This

Agreement (together with the Appendices, the Merger Agreement and the other Collateral Documents delivered or to be delivered in connection herewith) constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior agreements, arrangements, covenants, promises, conditions, undertakings, inducements, representations, warranties and negotiations, expressed or implied, oral or written, between the parties, with respect to the subject matter hereof. If there is any conflict between the terms of this Agreement and the Merger Agreement, the terms of this Agreement shall control. Each of the parties is a sophisticated legal entity that was advised by experienced counsel and, to the extent it deemed necessary, other advisors in connection with this Agreement. Each of the parties hereby acknowledges that (a) such party has not relied or will not rely in respect of this Agreement or the transactions contemplated hereby upon any document or written or oral information previously furnished to or discovered by it or its representatives, other than this Agreement (including the Appendices, the Merger Agreement and the other Collateral Documents) or such of the foregoing as are delivered at the Closing, (b) there are no covenants or agreements by or on behalf of either party hereto or any of its respective Affiliates or representatives other than those expressly set forth in this Agreement, the Merger Agreement and the other Collateral Documents, and (c) the parties' respective rights and obligations with respect to this Agreement and the events giving rise thereto will be solely as set forth in this Agreement, the Merger Agreement and the other Collateral Documents. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, EACH PARTY HERETO AGREES THAT, EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS AGREEMENT, THE MERGER AGREEMENT AND ANY COLLATERAL DOCUMENT, NEITHER AMERICAN NOR AMERICAN TOWER MAKES ANY OTHER REPRESENTATIONS OR WARRANTIES, AND EACH HEREBY DISCLAIMS ANY OTHER REPRESENTATIONS OR WARRANTIES MADE BY ITSELF OR ANY OF ITS OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, FINANCIAL AND LEGAL ADVISORS OR OTHER REPRESENTATIVES, WITH RESPECT TO THE EXECUTION AND DELIVERY OF THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY, NOTWITHSTANDING THE DELIVERY OR DISCLOSURE TO THE OTHER OR THE OTHER'S REPRESENTATIVES OF ANY DOCUMENTATION OR OTHER INFORMATION WITH RESPECT TO ANY ONE OR MORE OF THE FOREGOING.

16.13 Assignment. Neither this Agreement nor any of the rights, interests

or obligations under this Agreement shall be assigned, in whole or in part, by operation of law or otherwise by any of the parties without the prior written consent of the other parties. Any assignment in violation of the preceding sentence

shall be void. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the parties and their respective successors and assigns.

16.14 Parties in Interest. This Agreement shall be binding upon and inure

solely to the benefit of each party and their permitted successors and assigns, and nothing in this Agreement, express or implied, is intended to or shall confer upon any Person any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement, except as otherwise provided in Section 16.13.

16.15 Mutual Drafting. This Agreement is the result of the joint efforts

of CBS, American and American Tower, and each provision hereof has been subject to the mutual consultation, negotiation and agreement of the parties and there shall be no construction against either party based on any presumption of that party's involvement in the drafting thereof.

16.16 Obligations of American, American Tower and CBS. Whenever this

Agreement requires a Subsidiary of American, American Tower or CBS to take any action, such requirement shall be deemed to include an undertaking on the part of American and CBS, and following the earlier to occur of the Tower Merger Effective Time and the Effective Time, American Tower, to cause such Subsidiary to take such action.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, American, American Tower and CBS have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

American Radio Systems Corporation

By: _____
Name: Joseph L. Winn
Title: Chief Financial Officer and
Treasurer

American Tower Systems Corporation

By: _____
Name: Joseph L. Winn
Title: Chief Financial Officer and
Treasurer

CBS Corporation

By: _____
Name:
Title:

SECURITIES PURCHASE AGREEMENT

SECURITIES PURCHASE AGREEMENT (this "Agreement"), dated as of June 4, 1998, by and among American Tower Systems Corporation (the "Company"), and each of the purchasers set forth on the signature pages hereto (the "Buyers"),

WHEREAS:

A. The Company and the Buyers are executing and delivering this Agreement in reliance upon the exemption from securities registration afforded by Rule 506 under Regulation D ("Regulation D") as promulgated by the United States Securities and Exchange Commission (the "SEC") under the Securities Act of 1933, as amended (the "1933 Act");

B. The Company has authorized the issuance to the Buyers of up to \$400 million aggregate initial liquidation preference of the Company's Series A Redeemable Pay-In-Kind Preferred Stock, \$.01 par value per share (the "PIK Preferred Stock"), in the form attached as Exhibit A, exchangeable in accordance with its terms into shares of the Company's Exchange Pay-In-Kind Preferred Stock, \$.01 par value per share (the "Exchange Preferred Stock"), in the form attached as Exhibit B;

C. The Buyers desire to purchase and the Company desires to issue and sell, upon the terms and conditions set forth in this Agreement, up to \$400,000,000 aggregate initial liquidation preference of the PIK Preferred Stock;

D. Each Buyer acting severally wishes to purchase, upon the terms and conditions stated in this Agreement, such amount of initial liquidation preference of the PIK Preferred Stock as is set forth immediately below its name on the signature pages hereto, subject to allocation with respect to each purchase by Credit Suisse First Boston Corporation ("CSFBC"); and

E. Contemporaneous with the execution and delivery of this Agreement, the parties hereto are executing and delivering a Registration Rights Agreement, in the form attached hereto as Exhibit C (the "Registration Rights Agreement"), pursuant to which the Company has agreed to provide certain registration rights with respect to the Exchange Preferred Stock under the 1933 Act and the rules and regulations promulgated thereunder, and applicable state securities laws.

NOW, THEREFORE, the Company and each of the Buyers (severally and not jointly) hereby agree as follows:

1. PURCHASE AND SALE OF PIK PREFERRED STOCK.

a. Commitment to Purchase PIK Preferred Stock. Each Buyer severally

agrees, on the terms and conditions hereinafter set forth, to purchase from the Company an amount in initial liquidation preference of PIK Preferred Stock such that the aggregate amount of all PIK Preferred Stock purchased by such Buyer does not exceed the amount set forth immediately below such Buyer's name on the signature pages hereto (such amount being referred to herein as such Buyer's "Aggregate Commitment"). Each Buyer's Aggregate Commitment shall expire on June 30, 1998, provided, however that such Commitment may be extended by the Company

to a date not later than August 30, 1998; upon the delivery as previously agreed to CSFBC of an amount equal to one percent times \$400 million; provided,

further, that if the Initial Closing (as defined below) does not occur on or before June 30, 1998, each Buyer's Aggregate Commitment shall expire on such date.

b. Notice of Issuance. The issuance, sale and purchase of the PIK

Preferred Stock, if any, shall be made on notice (a "Notice of Issuance"), given not later than 3:00 P.M., New York City Time, by the Company to CSFBC on the fifth Business Day prior to the date for the settlement (the "Closing") for such proposed sale and purchase, or such shorter period as the Company and CSFBC may agree upon. Each Notice of Issuance shall specify the aggregate initial liquidation preference of PIK Preferred Stock to be issued and the requested settlement date ("Closing Date"). The Company may give not more than two Notices of Issuance, provided, however, that if the first Notice of Issuance relates to

more than \$200 million in aggregate initial liquidation preference of the PIK Preferred Stock, the Company shall not be permitted to deliver a second Notice of Issuance and the sum of each Buyer's Aggregate Commitment shall be equal to the aggregate initial liquidation preference specified in such first Notice of Issuance. The aggregate initial liquidation preference of the PIK Preferred Stock to be issued at the first closing (the "Initial Closing") and at the Second Closing, if any (the "Second Closing"), shall not exceed \$400 million. In the event that the Company issues and sells less than \$400 million in aggregate liquidation preference of PIK Preferred Stock on any Closing Date, each Buyer shall purchase an amount of PIK Preferred Stock on such Closing Date that bears the same relation to the aggregate initial liquidation preference of PIK Preferred Stock being issued on such Closing Date as such Buyer's Aggregate Commitment bears to \$400 million.

c. Payment for and Delivery of Securities. At each Closing, each

Buyer shall pay an amount equal to the aggregate initial liquidation preference of the PIK Preferred Stock being issued and sold to it at such Closing, by wire transfer of immediately available funds to the Company, in accordance with the Company's written wiring instructions, against delivery to the Buyer of the certificates evidencing such PIK Preferred Stock.

d. Closing Dates. The date and time of the issuance and sale of the

PIK Preferred Stock in connection with any Closing pursuant to this Agreement shall be 12:00 noon New York City time on the date specified by the Company in the relevant Notice of Issuance. Each Closing shall occur at the offices of Sullivan & Cromwell, 125 Broad Street, New York, New York 10004, or at such other location as the Company and CSFBC shall agree.

2. BUYERS' REPRESENTATIONS AND WARRANTIES.

Each Buyer severally (and not jointly) represents and warrants to the Company solely as to such Buyer, as of the date hereof and as of each Closing Date, that:

a. Investment Purpose. The Buyer is purchasing the PIK Preferred

Stock (such PIK Preferred Stock together with the Exchange Preferred Stock and any subordinated debentures issued in exchange for the Exchange Preferred Stock, the "Securities") for its own account for investment only and not with a present view towards the public sale or distribution thereof, except pursuant to sales registered or exempted under the 1933 Act.

b. Accredited Investor Status. The Buyer is an "accredited

investor" as that term is defined in Rule 501(a) of Regulation D and a sophisticated investor (as defined in Rule 506(b)(2)(ii) of Regulation D).

c. Reliance on Exemptions. The Buyer understands (i) that the

Securities are being offered and sold to it in reliance upon specific exemptions from the registration requirements of United States federal and state securities laws and that the Company in relying upon the truth and accuracy of, and the Buyer's compliance with, the representations, warranties, agreements, acknowledgments and understandings of the Buyer set forth herein in order to determine the availability of such exemptions and the eligibility of the Buyer to acquire the Securities and (ii) it is not authorized, and acknowledges that it has not, relied on any analyst or other reports or other third party source information relating to the Company.

d. Information. The Buyer and its advisors, if any, have been

furnished with all materials relating to the business, finances and operations of the Company and materials relating to the offer and sale of the Securities which have been requested by the Buyer or its advisors, including the Private Placement Memorandum dated May 28, 1998 (the "Private Placement Memorandum"). The Buyer and its advisors, if any, have not relied on any oral or written representations or assurances made by third parties or any oral or written representations or assurances from the Company or any representative or agent of the Company other than as set forth in this Agreement or in the Private Placement Memorandum. The Buyer and its advisors, if any, have been afforded the opportunity to ask questions of the Company and have received what the Buyer believes to be satisfactory answers to any such inquiries. Neither such inquiries

nor any other due diligence investigation conducted by Buyer or any of its advisors or representatives shall modify, amend or affect Buyer's right to rely on the Company's representations and warranties contained in Section 3 below. The Buyer understands that its investment in the Securities is speculative and involves a significant degree of risk.

e. Governmental Review. The Buyer understands that no United States

federal or state agency or any other government or governmental agency has passed upon or made any recommendation or endorsement of the Securities.

f. Transfer or Resale. The Buyer understands that (i) except as

provided in the Registration Rights Agreement, the Securities have not been and are not being registered under the 1933 Act or any applicable state securities laws, and may not be transferred unless (a) subsequently included in an effective registration statement hereunder, or (b) the Buyer shall have delivered to the Company an opinion of counsel (which counsel may be an employee of Buyer and which opinion shall in any case be reasonably acceptable to the Company) to the effect that the Securities to be sold or transferred may be sold or transferred pursuant to an exemption from such registration or (c) pursuant to Rule 144 promulgated under the 1933 Act (or a successor rule); (ii) any sale of such Securities made in reliance on Rule 144 may be made only in accordance with the terms of said Rule and further, if said Rule is not applicable, any resale of such Securities under circumstances in which the seller (or the person through whom the sale is made) may be deemed to be an underwriter (as that term is defined in the 1933 Act) may require compliance with some other exemption under the 1933 Act or the rules and regulations of the SEC thereunder; and (iii) neither the Company nor any other person is under any obligation to register such Securities under the 1933 Act or any state securities laws or to comply with the terms and conditions of any exemption thereunder (in each case, other than pursuant to the Registration Rights Agreement or this Agreement). Notwithstanding the foregoing, nothing in this Agreement shall prevent the pledge of the Securities as collateral in connection with a bona fide margin

account. Notwithstanding the foregoing, CSFBC may offer and resell PIK Preferred Stock to a limited number of institutions, each of which is reasonably believed by CSFBC to be an "accredited investor" within the meaning of Rule 501(a)(1), (2) or (3) under the 1933 Act or an entity in which all of the equity owners are accredited investors within the meaning of Rule 501(a)(1), (2) or (3) under the 1933 Act (each, an "Institutional Accredited Investor"); provided that each such Institutional Accredited Investor executes and delivers to CSFBC, prior to the consummation of any sale of PIK Preferred Stock to such Institutional Accredited Investor, a letter containing investor representations substantially in the form of Schedule I to the form of commitment letter previously furnished by CSFBC to the Company. The representations, warranties and covenants of the Company hereunder shall also be for the benefit of any such Institutional Accredited Investor.

g. Legends. The Buyer understands that the Securities, including,

until such time as the Exchanged Preferred Stock (or subordinated debentures issuable in exchange therefor) have been registered under the 1933 Act, as contemplated by the

Registration Rights Agreement, the Exchange Preferred Stock or such subordinated debentures, may bear a restrictive legend in substantially the following form (and a stop-transfer order may be placed against transfer of the certificates for such Securities):

"The securities represented by this certificate [note] have not been registered under the Securities Act of 1933, as amended. The securities have been acquired for investment and may not be sold, transferred or assigned in the absence of an effective registration statement for the securities under said Act, or an opinion of counsel, in form, substance and scope reasonably acceptable to the Company, that registration is not required under said Act or unless sold pursuant to Rule 144 under said Act."

The legend set forth above shall be removed and the Company shall issue a certificate representing the Securities without such legend to the holder of any Security upon which it is stamped, if, unless otherwise required by applicable state securities laws, (a) such Security is registered for sale under an effective registration statement filed under the 1933 Act, or (b) such holder provides the Company with an opinion of counsel (which counsel may be an employee of the Buyer), in form, substance and scope reasonably acceptable to the Company, to the effect that a public sale or transfer of such Security may be made without registration under the 1933 Act and such Security is so sold or transferred or (c) such holder provides the Company with reasonable assurances that such Security can be sold pursuant to Rule 144(k) under the 1933 Act (or a successor rule thereto). The Buyer agrees to sell all Securities, including those represented by a certificate(s) or notes from which the legend has been removed, in compliance with applicable prospectus delivery requirements, if any.

h. Authorization; Enforcement. This Agreement and the Registration

Rights Agreement have been duly and validly authorized, executed and delivered on behalf of the Buyer and are valid and binding agreements of the Buyer enforceable in accordance with their terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating or affecting creditors' rights and to general equity principles.

i. Residency. The Buyer is a resident of the jurisdiction set forth

immediately below such Buyer's name on the signature pages hereto.

j. No Legal Advice. The Buyer acknowledges that it has had the

opportunity to review this Agreement and the transactions contemplated hereby with its own legal counsel and investment and tax advisors.

k. No Brokers. The Buyer has taken no action which would give rise

to any claim by any person for brokerage commissions, finder's fees or similar payments

relating to this Agreement or the transactions contemplated hereby, other than arrangements between CSFBC and the Company.

3. REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

The Company represents and warrants to each Buyer, as of the date hereof and the date of each Closing, that:

a. Organization and Qualification. The Company has been duly

incorporated and is an existing corporation in good standing under the laws of the State of Delaware, with all requisite power and authority (corporate and other) to own its properties and conduct its business as described in the Private Placement Memorandum; and the Company is duly qualified to do business as a foreign corporation in good standing in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification except where the failure to be so qualified would not have a Material Adverse Effect.

b. Subsidiary Organization and Qualification. Each subsidiary of

the Company (it being understood that all references in this Agreement to subsidiaries of the Company include, without limitation, ATC and its subsidiaries from and after the ATC Merger (as defined herein)) has been duly incorporated (or formed, as the case may be) and is an existing corporation (or limited partnership or limited liability company, as the case may be) in good standing under the laws of the jurisdiction of its incorporation or formation, with all requisite power and authority (corporate and other) to own its properties and conduct its business as described in the Private Placement Memorandum; and each subsidiary of the Company is duly qualified to do business as a foreign corporation or partnership in good standing in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification except where the failure to be so qualified would not have a Material Adverse Effect. All of the issued and outstanding capital stock (or partnership, limited liability company or other equity interests) of each subsidiary of the Company has been duly authorized and validly issued and is fully paid (except for any general partnership interest) and nonassessable; and, except for the pledge pursuant to the Senior Bank Facilities as disclosed in the Private Placement Memorandum, the capital stock (and partnership and other equity interests) of each subsidiary owned by the Company, directly or through subsidiaries, is owned free from liens, encumbrances and defects.

c. Capital Stock. All outstanding shares of capital stock of the

Company have been duly authorized and validly issued, are fully paid and nonassessable and the stockholders of the Company do not and will not have any preemptive rights with respect to any of such securities; upon the issuance of the PIK Preferred Stock and the payment by the Buyers therefor pursuant to the terms of this Agreement, the PIK Preferred Stock will be duly authorized and issued, fully paid and nonassessable and not subject to any preemptive rights, and the terms of the PIK Preferred Stock will be valid

and binding on the Company; the ATC Merger has been duly approved by the Board of Directors and stockholders of the Company and any subsidiary into which ATC may be merged and of ATC, and no other approvals (corporate, contractual or governmental) are required in order for the ATC Merger to become effective other than the filing of the Certificate of Merger with the Secretary of State of the State of Delaware. Any Securities issued in exchange for the PIK Preferred Stock will be duly authorized and validly issued, and, in the case of Exchange Preferred Stock, fully paid and nonassessable and the holders thereof will not be entitled to any preemptive rights with respect to such securities.

d. Registration Rights. Except as disclosed in the Private

Placement Memorandum, and other than the Registration Rights Agreement and the registration rights agreement relating to the Company's common stock, there are no contracts, agreements or understandings between the Company and any person granting such person the right to require the Company to file a registration statement under the 1933 Act with respect to any securities of the Company owned or to be owned by such person or to require the Company to include such securities with any securities being registered pursuant to any registration statement filed or to be filed by the Company under the 1933 Act.

e. No Consents. Other than the filing of a Form D under the 1933

Act and except to the extent required under Blue Sky or securities laws of the states or other jurisdictions, with respect to the offering and sale of Securities pursuant to this Agreement, no consent, approval, authorization, order or waiver of, or filing with, any governmental agency or body or any court or any third party is required to be obtained or made by the Company or any subsidiary of the Company for the consummation of the transactions contemplated by this Agreement in connection with the purchase of the Securities.

f. No Conflicts. The consummation of the transactions necessary to

effectuate the ATC Merger, the Tower Separation and the CBS Merger did not and will not, and the execution, delivery and performance of this Agreement and the Registration Rights Agreement, the issuance, sale and delivery of the Securities hereunder, and the consummation of the transactions herein contemplated will not, result in a breach or violation of any of the terms and provisions of, or constitute a default under, any statute, any rule, regulation, order or policy of any governmental agency or body or any court, domestic or foreign, having jurisdiction over the Company or any subsidiary of the Company or any of their properties, the Senior Credit Facility (as defined herein) or any other agreement or instrument to which the Company or any such subsidiary is a party or by which the Company or any such subsidiary is bound, or to which any of the properties of the Company or any such subsidiary is subject, or the charter or by-laws (or other constituent document) of the Company or any such subsidiary.

g. Authorization; Enforcement. (i) The Company has all requisite

corporate power and authority to enter into and perform this Agreement, the Escrow Agent Agreement, the Registration Rights Agreement, to file with the Secretary of State of the State of Delaware the Certificates of Designation with respect to the Securities and to consummate the transactions contemplated hereby and thereby and to issue, sell and deliver the Securities, in accordance with the terms hereof and thereof, (ii) the execution and delivery of this Agreement, the Registration Rights Agreement, the Escrow Agent Agreement, the filing of the Certificates of Designation with respect to the PIK Preferred Stock and Exchange Preferred Stock by the Company and the consummation by it of the transactions contemplated hereby and thereby (including without limitation the issuance, sale and delivery of the PIK Preferred Stock, the issuance and delivery of the Exchange Preferred Stock in exchange therefor and the issuance of subordinated debentures in exchange for the Exchange Preferred Stock) have been duly authorized by the Board of Directors and no further consent or authorization of the Company, the Board of Directors or any committee thereof, or its shareholders is required, (iii) this Agreement has been duly executed and delivered by the Company, and (iv) this Agreement constitutes, and upon execution and delivery by the Company of the Registration Rights Agreement and the Escrow Agent Agreement, the Registration Rights Agreement and the Escrow Agent Agreement will constitute, legal, valid and binding obligations of the Company enforceable against the Company in accordance with their respective terms subject only to bankruptcy, insolvency, reorganization, moratorium, and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles.

h. Real Property. Except as disclosed in the Private Placement

Memorandum, the Company and its subsidiaries have good and marketable title to all real properties and all other properties and assets owned by them, in each case free from liens, encumbrances and defects except pursuant to the Senior Bank Facilities or where the failure to have such good and marketable title would not, have a Material Adverse Effect; and except as disclosed in the Private Placement Memorandum, the Company and its subsidiaries hold any leased real or personal property under valid and enforceable leases with no exceptions except where the failure to have such valid and enforceable leases would not have a Material Adverse Effect.

i. No Labor Disputes. No labor dispute with the employees of the

Company or any subsidiary exists or, to the knowledge of the Company, is imminent that might have a Material Adverse Effect.

j. Intellectual Property. The Company and its subsidiaries own,

possess or can acquire on reasonable terms, adequate trademarks, trade names and other rights to inventions, know-how, patents, copyrights, confidential information and other intellectual property (collectively, "intellectual property rights") necessary to conduct the business now operated by them, or presently employed by them, and have not received any notice of infringement of or conflict with asserted rights of others with respect to any

intellectual property rights that, if determined adversely to the Company or any of its subsidiaries, would individually or in the aggregate have a Material Adverse Effect.

k. No Environmental Liability. Neither the Company nor any of its

subsidiaries is in violation of any statute, any rule, regulation, decision or order of any governmental agency or body or any court, domestic or foreign, relating to the use, disposal or release of hazardous or toxic substances or relating to the protection or restoration of the environment or human exposure to hazardous or toxic substances (collectively, "environmental laws"), owns or operates any real property contaminated with any substance that is subject to any environmental laws, is liable for any off-site disposal or contamination pursuant to any environmental laws, or is subject to any claim relating to any environmental laws, which violation, contamination, liability or claim would individually or in the aggregate have a Material Adverse Effect; and the Company is not aware of any pending investigation which might lead to such a claim.

l. No Litigation. There are no pending actions, suits or

proceedings against or affecting the Company, any of its subsidiaries or any of their respective properties that, if determined adversely to the Company or any of its subsidiaries, would individually or in the aggregate have a Material Adverse Effect and no such actions or suits are threatened or, to the Company's knowledge, contemplated.

m. Financial Statements. The financial statements included in the

Private Placement Memorandum (the "Financial Statements") present fairly the financial position of the Company and its consolidated subsidiaries and the other entities named therein as of the dates shown and their results of operations and cash flows for the periods shown, and such financial statements have been prepared in conformity with the generally accepted accounting principles in the United States applied on a consistent basis.

n. Solvency. The Company is solvent and immediately after giving

effect to the transactions contemplated by this Agreement will be solvent and currently the Company has no information that would lead it to reasonably conclude that the Company would not have the, nor does it intend to take any action that would impair its, ability to pay or refinance its debts from time to time in connection therewith. The Company did not receive a qualified opinion from its auditors with respect to its most recent fiscal year end and does not anticipate or know of any basis upon which its auditors might issue a qualified opinion in respect of its current fiscal year.

o. No Material Adverse Change. Except as disclosed in the Private

Placement Memorandum, since the date of the latest audited financial statements included in the Private Placement Memorandum there has been no material adverse change, nor has any development or event occurred that would have a Material Adverse Effect, and, except as disclosed in or contemplated by the Private Placement Memorandum, there has

been no dividend or distribution of any kind declared, paid or made by the Company or any non-wholly-owned Restricted Subsidiary on any class of their capital stock.

p. Disclosure. All information relating to or concerning the

Company or any of its subsidiaries set forth in this Agreement and provided to the Buyers pursuant to Section 2(d) hereof and otherwise in connection with the transactions contemplated hereby is true and correct in all material respects and the Company has not omitted to state any material fact necessary in order to make the statements made herein or therein, in light of the circumstances under which they were made, not misleading.

q. Investment Company Act. The Company is not and, after giving

effect to the offering and sale of any of the Securities and the application of the proceeds thereof as described in the Private Placement Memorandum, will not be an "investment company" as defined in the Investment Company Act of 1940.

r. Acknowledgment Regarding Buyers' Purchase of Securities. The

Company acknowledges and agrees that the Buyers are acting solely in the capacity of arm's length purchasers with respect to this Agreement and the transactions contemplated hereby. The Company further acknowledges that no Buyer is acting as a financial advisor or fiduciary of the Company (or in any similar capacity) with respect to this Agreement and the transactions contemplated hereby and any advice given by any Buyer or any of their respective representatives or agents in connection with this Agreement and the transactions contemplated hereby is merely incidental to the Buyers' purchase of the PIK Preferred Stock. The Company further represents to each Buyer that the Company's decision to enter into this Agreement has been based solely on the independent evaluation of the Company and its representatives.

s. No Integrated Offering. Neither the Company, nor any of its

affiliates, nor any person acting on its or their behalf, has directly or indirectly made any offers or sales in any security or solicited any offers to buy any security under circumstances that would require registration under the 1933 Act of the issuance of the PIK Preferred Stock or the Exchange Preferred Stock in exchange therefor to the Buyers.

t. No Brokers. The Company has taken no action which would give

rise to any claim by any person for brokerage commissions, finder's fees or similar payments relating to this Agreement or the transactions contemplated hereby, except with respect to expenses, fees and commissions payable to CSFBC.

u. Compliance with Laws. Except for any violations that

individually and in the aggregate would have no Material Adverse Effect, the Company and each of its subsidiaries is in compliance with all applicable statutes, laws, regulations and executive orders of the United States of America and all states, foreign countries or other governmental bodies and agencies having jurisdiction over the Company's and its subsidiaries' business and properties.

- v. Schedules. Except (i) as disclosed in Schedule A hereto and (ii)

transactions that individually and in the aggregate would have no Material Adverse Effect, there are no current or planned transactions between the Company or any of its Restricted Subsidiaries on the one hand and an Affiliate on the other hand on terms less advantageous to the Company or such Restricted Subsidiary than would be the case if such transaction had been effected with a non-Affiliate ("Related Transactions"). Schedule B attached hereto is a true correct and complete list of the Company's existing Indebtedness including the amount and maturity thereof.

4. COVENANTS

- a. Best Efforts. Upon the giving by the Company of a Notice of

Issuance, the parties shall use their best efforts to satisfy timely each of the conditions applicable to it described in Section 6 and 7 of this Agreement with respect to each Closing.

- b. Form D: Blue Sky Laws. The Company agrees to file a Form D with

respect to the offering and sale of the PIK Preferred Stock as required under Regulation D and provide a copy thereof to each Buyer promptly after such filing. The Company shall, on or before each Closing Date, take such action as the Company shall reasonably determine is necessary to qualify the Securities for sale to the Buyers at the applicable Closing pursuant to this Agreement under applicable securities or "blue sky" laws of the states of the United States (or to obtain an exemption from such qualification), and shall provide evidence for any such action so taken to each Buyer on or prior to each Closing Date.

- c. Use of Proceeds. The Company will use the proceeds of the PIK

Preferred Stock solely (i) to finance its obligation referred to in the CBS Merger Agreement to be responsible for any tax liability arising from the Tower Separation and (ii) to pay fees and expenses related to the issuance of the PIK Preferred Stock. The Company will use the proceeds of any offering of Permanent Securities to redeem PIK Preferred Stock in accordance with Section 6(b) of the PIK Certificate of Designation.

- d. Expenses. The Company will reimburse CSFBC and its affiliates,

upon request made from time to time, for their reasonable fees and expenses incurred in connection with the preparation, execution and delivery of this Agreement and the activities hereunder or contemplated hereby, including without limitation syndication expenses of CSFBC and the reasonable fees and expenses of counsel to CSFBC and its affiliates.

- e. Reservation of Shares. The Company shall at all times have

authorized, and reserve for the purpose of issuance, a sufficient number of shares of Exchange Preferred Stock to provide for the full exchange of the outstanding PIK

Preferred Stock into Exchange Preferred Stock. If at any time the number of shares of preferred stock authorized and reserved for issuance is below the number of shares of Exchange Preferred Stock issuable upon exchange of the PIK Preferred Stock (based upon the aggregate liquidation preference and redemption premium as then in effect), the Company will promptly take all corporate action necessary to authorize and reserve a sufficient number of shares, including, without limitation, calling a special meeting of shareholders to authorize additional shares to meet the Company's obligations under this Section 4(e), in the case of an insufficient number of authorized shares, and using its best efforts to obtain shareholder approval of an increase in such authorized number of shares.

f. Updated Private Placement Memorandum. The Company shall update

or amend the Private Placement Memorandum if at any time prior to the consummation of all of the applicable Closings hereunder any such update or amendment shall be necessary to ensure that the Private Placement Memorandum does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

g. Material Adverse Change. For so long as any portion of the

Aggregate Commitment of any Buyer remains outstanding, the Company shall promptly notify such Buyer in the event of any change, event or development resulting in a Material Adverse Effect.

5. TRANSFER AND ESCROW AGENT INSTRUCTIONS.

The Company shall issue irrevocable instructions to Harris Trust and Savings Bank as transfer and escrow agent ("Transfer and Escrow Agent") to issue certificates, registered in the name of each Buyer or its nominee, for the Exchange Preferred Stock in such amounts as specified from time to time by each Buyer to the Company upon exchange of the PIK Preferred Stock in accordance with the terms thereof (the "Transfer and Escrow Agent Instructions"). Prior to registration of the Exchange Preferred Stock under the 1933 Act, all such certificates shall bear the restrictive legend specified in Section 2(g) of this Agreement. The Company covenants that no instruction other than the Transfer and Escrow Agent Instructions referred to in this Section 5, and stop transfer instructions to give effect to Section 2(f) hereof (in the case of the Exchange Preferred Stock, prior to registration of the Exchange Preferred Stock under the 1933 Act), will be given by the Company to the Transfer and Escrow Agent and that the Securities shall otherwise be freely transferable on the books and records of the Company as and to the extent provided in this Agreement and the Registration Rights Agreement. Nothing in this Section 5. shall affect in any way the Buyer's obligations and agreement set forth in Section 2(f) hereof to comply with all applicable prospectus delivery requirements, if any, upon resale of the Securities. If a Buyer provides the Company with an opinion of counsel (which counsel may be an employee of Buyer), reasonably satisfactory to the Company in form, substance and scope, that registration of a resale by such Buyer of any

of the Securities is not required under the 1933 Act, the Company shall permit the transfer, and promptly instruct the Transfer and Escrow Agent to issue one or more certificates representing shares of PIK Preferred Stock, Exchange Preferred Stock or subordinated debentures, as the case may be, in such name and in such denominations as specified by such Buyer. The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to the Buyers, by vitiating the intent and purpose of the transactions contemplated hereby. Accordingly, the Company acknowledges that the remedy at law for a breach of its obligations under this Section 5 will be inadequate and agrees, in the event of a breach or threatened breach by the Company of the provisions of this Section 5, that the Buyers shall be entitled, in addition to all other available remedies, to an injunction restraining any breach and requiring immediate transfer, without the necessity of showing economic loss and without any bond or other security being required.

6. CONDITIONS TO THE COMPANY'S OBLIGATION TO SELL.

Upon the delivery by the Company of a Notice of Issuance in accordance with Section 1(b), the obligation of the Company hereunder to issue and sell the PIK Preferred Stock at each Closing is subject to the satisfaction, on the related Closing Date, of each of the following conditions thereto, provided that these conditions are for the Company's sole benefit and may be waived by the Company at any time in its sole discretion:

a. The applicable Buyer shall have executed this Agreement and the Registration Rights Agreement, and delivered the same to the Company.

b. The applicable Buyer shall have delivered the purchase price in accordance with Section 1(b) above.

c. The representations and warranties of the applicable Buyer shall be true and correct in all material respects as of the date when made and as of the Initial Closing or Second Closing, as the case may be, as though made at that time (except for representations and warranties that speak as of a specific date), and the applicable Buyer shall in all material respects have performed, satisfied and complied with the covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by the applicable Buyer at or prior to the relevant Closing.

d. No litigation, statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by or in any court or governmental authority of competent jurisdiction or any self-regulatory organization having authority over the matters contemplated hereby which prohibits the consummation of any of the transactions contemplated by this Agreement.

7. CONDITIONS TO EACH BUYER'S OBLIGATION TO PURCHASE.

Upon the delivery by the Company of a Notice of Issuance in accordance with Section 1(b), the obligation of each Buyer hereunder to purchase the PIK Preferred Stock on the related Closing Date is subject to the satisfaction of each of the following conditions (except as specifically provided to the contrary in this Section 7), provided that these conditions are for such Buyer's sole benefit and may be waived by such Buyer at any time in its sole discretion:

a. The Company shall have (i) executed this Agreement and the Registration Rights Agreement, and delivered the same to such Buyer and (ii) filed a Certificate of Designation with the Secretary of State of the State of Delaware with respect to each of the PIK Preferred Stock and the Exchange Preferred Stock.

b. The Company shall have delivered to such Buyer duly executed certificates representing the PIK Preferred Stock being so purchased in accordance with Section 1(c) above.

c. The Transfer and Escrow Agent Instructions and an Escrow Agreement providing for the escrow of certificates representing least \$500,000,000 in aggregate liquidation preference of Exchange Preferred Stock, in form and substance reasonably satisfactory to a majority-in-interest of the Buyers, shall have been delivered to and acknowledged in writing by the Transfer and Escrow Agent.

d. The representations and warranties of the Company shall be true and correct in all material respects as of the date when made and as of such Closing as though made at such time (except for representations and warranties that speak as of a specific date) and the Company shall in all material respects have performed, satisfied and complied with the covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by the Company at or prior to such Closing. Such Buyer shall have received a certificate or certificates executed by an executive officer of the Company, dated as of the date of such Closing to the foregoing effect and as to such other matters as may be reasonably requested by such Buyer, including, but not limited to certifications with respect to (i) the Company's Restated Certificate of Incorporation, By-laws and Board of Directors' resolutions relating to the transactions contemplated hereby, (ii) the absence of any default or event of default under any instrument or agreement evidencing or entered into in connection with indebtedness of the Company or any Restricted Subsidiary, and (iii) the absence of any Liens on the assets or property of the Company or any Restricted Subsidiary except pursuant to the Senior Bank Facilities or where the existence of such Liens does not result in a Material Adverse Effect.

e. No litigation, statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by or in

any court or governmental authority of competent jurisdiction or any self-regulatory organization having authority over the matters contemplated hereby which prohibits the consummation of any of the transactions contemplated by this Agreement or the Registration Rights Agreement.

f. The Buyers shall have received the opinions of Sullivan & Worcester LLP dated as of the date of such Closing, in form, scope and substance reasonably satisfactory to CSFBC.

g. CSFBC shall have received a letter from Deloitte & Touche LLP and KPMG Peat Marwick LLP in form, scope and substance reasonably satisfactory to CSFBC.

h. The separation of the Company from American Radio Systems Corporation (the "Tower Separation") and the merger of American Radio Systems Corporation with and into a subsidiary of CBS Corporation (the transactions described in clauses (i) and (ii) and the issuance and sale of the PIK Preferred Stock being collectively referred to herein as the "Transactions") shall have been consummated or shall be consummated simultaneously on such Closing Date, in each case in all material respects in accordance with the terms hereof and the terms of the relevant documentation therefore (and without the waiver of any material term).

i. After giving effect to the Transactions and the other transactions contemplated hereunder (including under documents contemplated hereby), the Company and its subsidiaries shall have outstanding no indebtedness or preferred stock, except as permitted under the PIK Preferred Certificate of Designation.

j. There shall not have occurred after the date of this Agreement (a) any general suspension of trading in, or limitation on prices for, securities on any national securities exchange or in the over-the-counter market in any Applicable Jurisdiction, (b) the declaration of a banking moratorium or any suspension of payments in respect of banks in any Applicable Jurisdiction (as defined in Section 9(m)), (c) the commencement of a war, armed hostilities or other international or national calamity or emergency, directly or indirectly involving any Applicable Jurisdiction, (d) any limitations (whether or not mandatory) imposed by any governmental authority on the nature or extension of credit or further extension of credit by banks or other lending institutions, (e) in the case of the foregoing clauses (c) and (d), a material escalation or worsening thereof, or (f) any other material adverse change in banking or capital market conditions that has had or reasonably could have a material adverse effect on, or has materially impaired, the syndication or consummation of offerings of high-yield securities or common equity, as the case may be, and that CSFBC shall determine makes it impracticable to consummate Permanent Financing prior to the termination of the marketing period for the Permanent Financing.

k. CSFBC shall be satisfied that, immediately prior to and during the marketing period for the Permanent Financing, there shall be no competing issues of high yield preferred or common equity securities (other than the PIK Preferred Stock) of the Company or any of its affiliates other than as part of the Permanent Financing.

8. INDEMNIFICATION AND CONTRIBUTION

a. The Company will indemnify and hold harmless each Buyer against any losses, claims, damages or liabilities, joint or several, to which such Buyer may become subject, under the Securities Exchange Act of 1934 ("1934 Act") or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) (i) arise out of or are based upon any claim against such Buyer that arises out of or is based upon any untrue statement or alleged untrue statement of any material fact contained in the Private Placement Memorandum or any amendment or supplement thereto, or arise out of or are based upon any claim against such Buyer that arises out of or is based upon the omission or alleged omission to state therein a material fact necessary to make the statements therein not misleading, or (ii) arise out of or relate to any claim or any litigation or other proceeding (regardless of whether such Buyer is a party thereto) that relates to any action or omission by the Company in connection with the offer or sale of Securities or the refinancing thereof or any transaction contemplated thereby, and will reimburse each Buyer for any legal or other expenses reasonably incurred by such Buyer in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred; provided, however, that the Company will not be liable in any such case 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 in or omission or alleged omission from any of such documents in reliance upon and in conformity with written information furnished to the Company by any Buyer specifically for use therein.

b. CSFBC will indemnify and hold harmless the Company against any losses, claims, damages or liabilities to which the Company may become subject, under the 1933 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 Private Placement Memorandum or any amendment or supplement thereto, or arise out of or are based upon the omission or the alleged omission to state therein a material fact necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company by CSFBC specifically for use therein, and will reimburse any legal or other expenses reasonably incurred by the Company in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred.

c. Promptly after receipt by an indemnified party under this Section of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against an indemnifying party under subsection (a) or (b) above, notify the indemnifying party of the commencement thereof; but the omission so to notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party otherwise than under subsection (a) or (b) above. In case any such action is brought against any indemnified party and it notifies an indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party will not be liable to such indemnified party under this Section for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened action in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party unless such settlement includes an unconditional release of such indemnified party from all liability on any claims that are the subject matter of such action.

d. If the indemnification provided for in this Section is unavailable or insufficient to hold harmless an indemnified party under subsection (a) or (b) above, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of the losses, claims, damages or liabilities referred to in subsection (a) or (b) above (i) in such proportion as is appropriate to reflect the relative benefits received by the indemnified party the indemnifying party from the offering of the PIK Preferred Stock or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the indemnified party and the indemnifying party in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities as well as any other relevant equitable considerations. The relative benefits received by the indemnified party and the indemnifying party shall be deemed to be in the same proportion as the total net proceeds received by the Company (before deducting expenses) from the sale of PIK Preferred Stock bear to the total commitment fees received by any relevant Buyer. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company, or any relevant Buyer and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The amount paid by an indemnified party as a result of the losses, claims, damages or liabilities referred to in the first sentence of this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred

by such indemnified party in connection with investigating or defending any action or claim which is the subject of this subsection (d). Notwithstanding the provisions of this subsection (d), CSFBC shall not be required to contribute any amount in excess of the amount by which the amount it has paid to the Company for the purchase of PIK Preferred Stock exceeds the amount of any damages which such Buyer has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No other Buyer shall have any obligation under this subsection (d).

e. The obligations of the Company under this Section shall be in addition to any liability which the Company may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls any Buyer within the meaning of the 1934 Act and to each Buyer's officers, directors, employees, affiliates, agents and advisors and the obligations of CSFBC under this Section shall be in addition to any liability which the respective Buyers may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls the Company within the meaning of the 1934 Act.

9. GOVERNING LAW; MISCELLANEOUS.

a. Governing Law. This Agreement shall be governed by and

interpreted in accordance with the laws of the State of New York. The parties hereto hereby submit to the exclusive jurisdiction of the United States Federal Courts located in the Borough of Manhattan in the State of New York with respect to any dispute arising under this Agreement, the agreements entered into in connection herewith or the transactions contemplated hereby or thereby.

b. Counterparts; Signatures by Facsimile. This Agreement may be

executed in two or more counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party. This Agreement, once executed by a party, may be delivered to the other party hereto by facsimile transmission of a copy of this Agreement bearing the signature of the party so delivering this Agreement.

c. Headings. The headings of this Agreement are for convenience of

reference and shall not form part of, or affect the interpretation of, this Agreement.

d. Severability. If any provision of this Agreement shall be invalid

or unenforceable in any jurisdiction, such invalidity or unenforceability shall not affect the validity or unenforceability of the remainder of this Agreement or the validity or unenforceability of this Agreement in any other jurisdiction.

e. Amendments. No provision of this Agreement may be waived or

amended other than by an instrument in writing signed by the parties hereto.

f. Notices. Any notices required or permitted to be given under the

terms of this Agreement shall be sent by certified or registered mail (return receipt requested) or delivered personally or by courier (including a recognized overnight delivery service) or by facsimile and shall be effective five days after being placed in the mail, if mailed by regular U.S. mail, or upon receipt, if delivered personally or by courier (including a recognized overnight delivery service) or by facsimile, in each case addressed to a party. The addresses for such communications shall be:

If to the Company:

American Tower Systems Corporation
116 Huntington Avenue
Boston, Massachusetts 02116
Attention: Joseph L. Winn
Facsimile: (617) 375-7575

With copy to:

Sullivan & Worcester LLP
1 Post Office Square
Boston, Massachusetts 02109
Attention: Norman A. Bikales, Esq.
Facsimile: (617) 338-2880

If to a Buyer (including CSFBC): To the address set forth immediately below such Buyer's name on the signature pages hereto.

Each party shall provide notice to the other party of any change in address.

g. Successors and Assigns. This Agreement shall be binding upon and

inure to the benefit of the parties and their successors and assigns. Neither the Company, nor any Buyer shall assign this Agreement or any rights or obligations hereunder without the prior written consent of the other, except that with the consent of CSFBC, in the event that the Company elects to issue the PIK Preferred Stock in two closings, the Buyers may assign the obligation to purchase hereunder to one another among Closings so long as the Aggregate Commitment of each such Buyer in both Closings is not reduced by such assignment or assumption. Notwithstanding the foregoing, any Buyer may assign its rights hereunder to any person that purchases Securities without the consent of the Company including, without limitation, through open market transactions effected on the NYSE or on any other stock exchange or quotation system on which the Securities may be quoted or listed.

h. Third Party Beneficiaries. This Agreement is intended for the

benefit of the parties hereto and their respective permitted successors and assigns, and is not for

the benefit of, nor may any provision hereof be enforced by, any other person except as otherwise provided in Section 2(f).

- i. Survival. The representations and warranties of the Company and

the agreements and covenants set forth in Sections 2, 3, 4, 5, 8 and 9 shall survive the closing(s) hereunder notwithstanding any due diligence investigation conducted by or on behalf of the Buyers.

- j. Publicity. The Company, CSFBC, and each Buyer, to the extent such

Buyer is named in any of the following documents, shall have the right to consent to the issuance of any press releases, SEC, NYSE or NASD filings, or any other public statements with respect to the transactions contemplated hereby; provided, however, that the Company shall be entitled, with the prior approval

of CSFBC, to make any press release or SEC, NYSE or NASD filings with respect to such transactions as is required by applicable law and regulations. The Buyers shall not make any public announcement with respect to the transactions contemplated hereby without the written consent of the Company except as is required by applicable law and regulations (although each such Buyer will consult the Company in connection with any such press release prior to its release and the Company shall be provided with a copy thereof and be given an opportunity to comment thereon).

- k. Further Assurances. Each party shall do and perform, or cause to

be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as the other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

- l. No Strict Construction. The language used in this Agreement will

be deemed to be the language chosen by the parties to express their mutual intent, and no rules of strict construction will be applied against any party.

- m. Definitions. The following terms shall have the meanings

specified. Capitalized terms used but not defined herein shall have the respective meanings assigned thereto in the Certificate of Designation with respect to the PIK Preferred Stock.

"Applicable Jurisdiction" means the United States and New York State.

"Permanent Financing" means an offering of common equity securities or high yield securities of the Company the proceeds of which will be used to repay or redeem the outstanding Securities in full.

- n. Entire Agreement. This Agreement constitutes the entire agreement

of the parties and supersedes all prior agreements and undertakings, both written and oral, between the parties, or any of them, with respect to the subject matter hereof (which shall

not be deemed to include any arrangements or agreements with respect to fees, commissions or expenses, including the previously agreed fee payable by the Company in connection with the exchange of the PIK Preferred Stock into the Exchange Preferred Stock).

IN WITNESS WHEREOF, the undersigned and the Company have caused this Agreement to be duly executed as of the date first above written.

AMERICAN TOWER SYSTEMS CORPORATION

By: /s/ Joseph L. Winn

Name: Joseph L. Winn
Title: Chief Financial Officer

CREDIT SUISSE FIRST BOSTON CORPORATION

By: /s/ Kristin M. Allen

Name: Kristin M. Allen
Title: Managing Director

ADDRESS:

Credit Suisse First Boston Corporation
11 Madison Avenue
New York, New York 10010
Attention: Scott Stearns
Facsimile: (212) 325-8291
Telephone: (212) 325-3995

AGGREGATE ALLOCATED

COMMITMENT AMOUNT: \$375,000,000 of initial liquidation preference.

AMERICAN TRAVELLERS LIFE INSURANCE CO.

By: /s/ Eric Johnson

Name: Eric Johnson
Title: Vice President

ADDRESS:

American Travelers Life Insurance Company
Attention: Don Cobin
11825 North Pennsylvania
P. O. Box 1925
Carmel, Indiana 46032
Facsimile: (317) 817-2763
Telephone: (317) 817-3622

AGGREGATE ALLOCATED

COMMITMENT AMOUNT: \$6,666,667 of initial liquidation preference

GREAT AMERICAN RESERVE INSURANCE CO.

By: /s/ Eric Johnson

Name: Eric Johnson
Title: Vice President

ADDRESS:

Great American Reserve Life Insurance Company
Attention: Don Cobin
11825 North Pennsylvania
P. O. Box 1925
Carmel, Indiana 46032
Facsimile: (317) 817-2763
Telephone: (317) 817-3622

AGGREGATE ALLOCATED

COMMITMENT AMOUNT: \$6,666,667 of initial liquidation preference

CONSECO LIFE INSURANCE COMPANY

By: /s/ Eric Johnson

Name: Eric Johnson
Title: Vice President

ADDRESS:

Conseco Life Insurance Group
Attention: Don Cobin
11825 North Pennsylvania
P. O. Box 1925
Carmel, Indiana 46032
Facsimile: (317) 817-2763
Telephone: (317) 817-3622

AGGREGATE ALLOCATED
COMMITMENT AMOUNT: \$11,666,667 of initial liquidation preference

Related Transactions

- - - - -

- (1) Employment arrangements as disclosed in the Company's public filings; and
- (2) The transactions contemplated by the ATS Stock Purchase Agreement, dated as of January 8, 1998, with certain officers and directors of the Company (or their affiliates or members of their family or family trusts), pursuant to which those persons purchased shares of ATS Common Stock at \$10.00 per share, as follows: Steven B. Dodge: 4,000,000 (Class B); Alan L. Box: 450,000 (Class A); Charlton H. Buckley: 300,000 (Class A); each of James S. Eisenstein and Steven J. Moskowitz: 25,000 (Class A); Arthur C. Kellar: 400,000 (Class A); Thomas H. Stoner, his wife and certain family trusts: 649,950 (Class B); other Stoner family and trust purchasers: 150,050 (Class A); and Chase Equity Associates: 2,000,000 (Class C). Messrs. Buckley and Kellar are directors of American Ratio Systems Corporation ("American Radio"), the majority stockholder of the Company, and Mr. Chavkin, a director of American Radio and the Company, is an affiliate of Chase Equity Associates.

Payment of the purchase price was in the form of cash in the case of Chase Equity Associates, all members of Mr. Stoner's family and the family trusts (but not Mr. Stoner and his wife) and Messrs. Buckley, Eisenstein, Kellar and Moskowitz, and, in the case of Messrs. Dodge, Box and Stoner (and his wife) in the form of a note, due on the earlier of the consummation of the CBS Merger or, in the event the CBS Merger Agreement is terminated, December 31, 2000. The notes bear interest at the six-month London Interbank Offered Rate, from time to time, plus 1.5% per annum, and are secured by shares of American Ratio Common Stock having a fair market value of not less than 175% of the principal amount of and accrued and unpaid interest on the note. The notes are prepayable at any time at the option of the obligor and will be due and payable, at the option of the Company, in the event of certain defaults as described therein.

AMERICAN TOWER SYSTEMS CORPORATION
EXISTING INDEBTEDNESS OF UNRESTRICTED SUBSIDIARIES

EXISTING INDEBTEDNESS

- - - - -

(i) Borrowed money, notes etc.

- - - - -

Senior Bank Facilities	\$223,000,000
Note Payable York Towers	\$ 204,869

(ii) Capital lease obligations	\$ 0
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- - - - -

(iii) Letters of credit	\$ 0
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- - - - -

(iv) Hedging Obligations: (a)

- - - - -

Bank Counterparty - hedge type	Notional amount
Toronto Dominion - swap	\$ 7,340,000
Union Bank of CA - cap	\$ 21,610,000
Bank of New York - cap	\$ 7,000,000
Suntrust - cap	\$ 21,500,000
Suntrust - cap	\$ 23,750,000
Bankers Trust - swap	\$ 17,550,000

Total hedging obligations	\$ 98,750,000
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- - - - -

(v) Liabilities secured by lien	\$ 0
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- - - - -

(vi) Guarantees	\$ 0
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- - - - -

TOTAL EXISTING INDEBTEDNESS	\$223,204,869
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(a) No obligations under these agreements unless terminated and mark to market required.

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REGISTRATION RIGHTS AGREEMENT

Dated as of June 4, 1998

Among

AMERICAN TOWER SYSTEMS CORPORATION

as Issuer

and

CREDIT SUISSE FIRST BOSTON CORPORATION

CONSECO LIFE INSURANCE COMPANY

AMERICAN TRAVELLERS LIFE INSURANCE CO.

GREAT AMERICAN RESERVE INSURANCE CO.

as Initial Purchasers

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REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (the "Agreement") is dated as of June 4, 1998, among American Tower Systems Corporation, a Delaware corporation (the "Company"), Credit Suisse First Boston Corporation ("CSFBC"), Conseco Life Insurance Company, American Travellers Life Insurance Co. and Great American Reserve Insurance Co. (individually, an "Initial Purchaser"; together, the "Initial Purchasers").

This Agreement is entered into in connection with the Securities Purchase Agreement, dated as of June 4, 1998, among the Company and the Initial Purchasers (the "Purchase Agreement"), which provides for the issuance of the Company's Series A Redeemable Preferred Stock, par value \$.01 per share (the "PIK Preferred Stock"). In order to induce the Initial Purchasers to enter into the Purchase Agreement, the Company has agreed to provide the registration rights set forth in this Agreement for the benefit of the Initial Purchasers and their direct and indirect transferees and assigns. The execution and delivery of this Agreement is a condition to the Initial Purchasers' obligation to purchase the PIK Preferred Stock under the Purchase Agreement.

The parties hereby agree as follows:

1. Definitions.

As used in this Agreement, the following terms shall have the following meanings:

Additional Dividends: See Section 4 hereof.

Advice: See Section 5 hereof.

Agreement: See the introductory paragraphs hereto.

Applicable Period: See Section 2(b) hereof.

Certificate of Designation: The Certificate of Designation governing the Underlying Preferred Stock as filed with the

Secretary of State of the State of Delaware, as amended from time to time.

Certificate Shares: See Section 10 hereof.

Closing Date: The Closing Date as defined in the Purchase Agreement.

Company: See the first introductory paragraph hereto.

CFCBC: See the first introductory paragraph hereto.

Depository: The Depository Trust Company until a successor is appointed by

the Company and the Transfer Agent.

Effectiveness Date: Not later than the 335th day after the Issue Date or,

in the case of a Shelf Registration Statement that is filed after the 245th day
after the Issue Date in accordance with the terms hereof, not later than the
90th day after a Shelf Registration Trigger.

Effectiveness Period: See Section 3 hereof.

Event Date: See Section 4 hereof.

Exchange Act: The Securities Exchange Act of 1934, as amended, and the

rules and regulations of the SEC promulgated thereunder.

Exchange Debentures: The Company's Subordinated Exchange Debentures due

2010 issuable in exchange for the Underlying Preferred Stock or the Exchange
Preferred Stock.

Exchange Offer: See Section 2(a) hereof.

Exchange Preferred Stock: See Section 2(a) hereof.

Exchange Registration Statement: See Section 2(a) hereof.

Filing Date: Not later than the 245th day after the Issue Date or, in the

case of a Shelf Registration Statement not later than the 30th day after a Shelf
Registration Trigger, if later.

Global Certificate: See Section 10 hereof.

Holder: Any holder of shares of Registrable Preferred Stock.

Indemnified Person: See Section 7(c) hereof.

Indemnifying Person: See Section 7(c) hereof.

Initial Purchaser: See the first introductory paragraph hereto.

Initial Purchasers: See the first introductory paragraph hereto.

Initial Shelf Registration: See Section 3(a) hereof.

Inspectors: See Section 5(n) hereof.

Interim Financing Maturity Date. The date that is 365 days from the Issue

Date.

Issue Date: The date on which PIK Preferred Stock was first issued and

sold to the Initial Purchasers pursuant to the Purchase Agreement.

NASD: See Section 5(s) hereof.

Participant: See Section 7(a) hereof.

Participating Broker-Dealer: See Section 2(b) hereof.

Person: An individual, partnership, corporation, limited liability

company, unincorporated association, trust or joint venture, or a governmental agency or political subdivision thereof.

PIK Preferred Stock. See second introductory paragraph hereto.

Prospectus: The prospectus included in any Registration Statement

(including, without limitation, any prospectus subject to completion and a prospectus that includes any information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 430A

promulgated under the Securities Act), as amended or supplemented by any prospectus supplement, and all other amendments and supplements to the prospectus, including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference in such prospectus.

Purchase Agreement: See the second introductory paragraph hereto.

Records: See Section 5(n) hereof.

Registrable Preferred Stock: Each share of Underlying Preferred Stock upon

original issuance thereof and at all times subsequent thereto and each share of Exchange Preferred Stock as to which Section 2(c)(iv) hereof is applicable upon original issuance and at all times subsequent thereto until the earliest to occur of (i) a Registration Statement (other than, with respect to any Exchange Preferred Stock as to which Section 2(c)(iv) hereof is applicable, the Exchange Registration Statement) covering such shares of Underlying Preferred Stock or Exchange Preferred Stock, as the case may be, has been declared effective by the SEC and such shares of Underlying Preferred Stock or Exchange Preferred Stock, as the case may be, have been disposed of in accordance with such effective Registration Statement, (ii) such shares of Underlying Preferred Stock or Exchange Preferred Stock, as the case may be, are sold in compliance with Rule 144 or could (except with respect to affiliates of the Company within the meaning of the Securities Act) be sold in compliance with paragraph (k) of such Rule 144, (iii) in the case of Exchange Preferred Stock, such shares of Exchange Preferred Stock have been issued pursuant to an Exchange Offer upon exchange of PIK Preferred Stock and may be resold without restriction under state and federal securities laws, or (iv) such shares of Underlying Preferred Stock or Exchange Preferred Stock, as the case may be, cease to be outstanding. For purposes of this Agreement and the registration requirements contained herein, Registrable Preferred Stock shall be deemed to include, and all Registration Statements required to be filed in accordance with the terms of this Agreement shall cover, the Exchange Debentures into which any Registrable Preferred Stock is exchangeable.

Registration Statement: Any registration statement of the Company,

including, but not limited to, the Exchange Registration Statement, filed with the SEC pursuant to the provisions of this Agreement, including the Prospectus, amendments and supplements to such registration statement, including post-effective amendments, all exhibits, and all material incorporated by reference or deemed to be incorporated by reference in such registration statement.

Rule 144: Rule 144 promulgated under the Securities Act, as such Rule may

be amended from time to time, or any similar rule (other than Rule 144A) or regulation hereafter adopted by the SEC providing for offers and sales of securities made in compliance therewith resulting in offers and sales by subsequent holders that are not affiliates of an issuer of such securities being free of the registration and prospectus delivery requirements of the Securities Act.

Rule 144A: Rule 144A promulgated under the Securities Act, as such Rule

may be amended from time to time, or any similar rule (other than Rule 144) or regulation hereafter adopted by the SEC.

Rule 415: Rule 415 promulgated under the Securities Act, as such Rule may

be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC.

SEC: The Securities and Exchange Commission.

Securities Act: The Securities Act of 1933, as amended, and the rules and

regulations of the SEC promulgated thereunder.

Shelf Notice: See Section 2(c) hereof.

Shelf Registration: See Section 3(b) hereof.

Shelf Registration Trigger: See Section 2(c) hereof.

Subsequent Shelf Registration: See Section 3(b) hereof.

Transfer Agent: The Transfer Agent for the Exchangeable Preferred Stock

and/or the Exchange Preferred Stock as the context may require.

TIA. The Trust Indenture Act of 1939, as amended, and the rules and

regulations of the SEC promulgated thereunder.

Underlying Preferred Stock: The Company's Exchange Pay-In-Kind Preferred

Stock, par value \$.01 per share, issuable in exchange for the PIK Preferred
Stock as contemplated in the Certificate of Designation of the PIK Preferred
Stock.

Underwritten registration or underwritten offering: A registration in

which securities of the Company are sold to an underwriter for reoffering to the
public.

2. Exchange Offer

(a) The Company shall file with the SEC no later than the Filing Date, an
offer to exchange (the "Exchange Offer") any and all shares of the PIK Preferred

Stock for shares (with a liquidation preference equal to that of the surrendered
shares) of another series of preferred stock of the Company (the "Exchange
Preferred Stock") that will have terms identical in all material respects to the
Underlying Preferred Stock except that (i) the Exchange Preferred Stock shall
have been registered pursuant to an effective Registration Statement under the
Securities Act and the certificates therefor shall not contain terms with
respect to transfer restrictions and shall contain no restrictive legend thereon
and (ii) the certificate of designation governing such Exchange Preferred Stock
does not need to contain the provisions set forth in the Certificate of
Designation concerning Additional Dividends including, without limitation,
Section 3(c) thereof. The Exchange Offer shall be registered under the
Securities Act on the appropriate form (the "Exchange Registration Statement")

and shall comply in all material respects with all applicable tender offer rules
and regulations under the Exchange Act. The Company agrees to use its best
efforts to (x) cause the Exchange Registration Statement to be declared
effective under the Securities Act on or before the Effectiveness Date; (y) keep
the Exchange Offer open for at least 20 business days (or longer if required by
applicable law) after the date that notice of the Exchange Offer is mailed to
Holders and in any event through the close of business on the Interim Financing
Maturity Date; and (z) consummate the Exchange Offer on the Interim Financing
Maturity Date. If after such Exchange Registration Statement is initially
declared effective

by the SEC, the Exchange Offer or the issuance of the Exchange Preferred Stock thereunder is interfered with by any stop order, injunction or other order or requirement of the SEC or any other governmental agency or court, such Exchange Registration Statement shall be deemed not to have become effective for purposes of this Agreement. Each Holder who participates in the Exchange Offer will be required to represent that any Exchange Preferred Stock received by it will be acquired in the ordinary course of its business, that at the time of the consummation of the Exchange Offer such Holder will have no arrangement or understanding with any Person to participate in the distribution of the Exchange Preferred Stock in violation of the provisions of the Securities Act, and that such Holder is not an affiliate of the Company within the meaning of the Securities Act. Upon consummation of the Exchange Offer in accordance with this Section 2, the provisions of this Agreement shall continue to apply, mutatis mutandis, solely with respect to Exchange Preferred Stock held by Participating Broker-Dealers, and the Company shall have no further obligation to register Registrable Preferred Stock (other than in respect of any Exchange Preferred Stock as to which clause 2(c)(iv) hereof applies) pursuant to Section 3 hereof. No securities other than the Exchange Preferred Stock (and the Exchange Debentures) shall be included in the Exchange Registration Statement.

(b) The Company shall include within the Prospectus contained in the Exchange Registration Statement a section entitled "Plan of Distribution," reasonably acceptable to the Initial Purchasers, that shall contain a summary statement of the positions taken or policies made by the Staff of the SEC with respect to the potential "underwriter" status of any broker-dealer that is the beneficial owner (as defined in Rule 13d-3 under the Exchange Act) of Exchange Preferred Stock received by such broker-dealer (a "Participating Broker-Dealer")

in the Exchange Offer (other than with respect to any shares of Exchangeable Preferred Stock acquired by them and having, or that is reasonably likely to be determined to have, the status of an unsold allotment in the initial distribution), whether such positions or policies have been publicly disseminated by the Staff of the SEC or such positions or policies, in the judgment of the Initial Purchasers, represent the prevailing views of the Staff of the SEC. Such "Plan of Distribution" section shall also expressly permit the use of the Prospectus by all Persons subject

to the prospectus delivery requirements of the Securities Act, including all Participating Broker-Dealers, and include a statement describing the means by which Participating Broker-Dealers may resell the Exchange Preferred Stock.

The Company shall use its reasonable best efforts to keep the Exchange Registration Statement effective and to amend and supplement the Prospectus contained therein, in order to permit such Prospectus to be lawfully delivered by all Persons subject to the prospectus delivery requirements of the Securities Act for such period of time as is necessary to comply with applicable law in connection with any resale of the Exchange Preferred Stock; provided, however,

that such period shall not exceed 180 days after the Exchange Registration Statement is declared effective (or such longer period if extended pursuant to the last paragraph of Section 5 hereof) (the "Applicable Period").

Dividends on the Exchange Preferred Stock will accumulate from the last dividend payment date on which dividends were paid (or deemed paid through the issuance of additional shares) on the PIK Preferred Stock surrendered in exchange therefor.

In connection with the Exchange Offer, the Company shall:

(1) mail to each Holder a copy of the Prospectus forming part of the Exchange Registration Statement, together with an appropriate letter of transmittal and related documents;

(2) utilize the services of a depository for the Exchange Offer with an address in the Borough of Manhattan, The City of New York;

(3) permit Holders to withdraw tendered shares of PIK Preferred Stock at any time prior to the close of business, New York time, on the last business day on which the Exchange Offer shall remain open;

(4) maintain the Exchange Offer open through the close of business on the Interim Financing Maturity Date; and

(5) otherwise comply in all material respects with all applicable laws, rules and regulations.

On the Interim Financing Maturity Date after the close of the Exchange Offer the Company shall:

(1) accept for exchange all shares of PIK Preferred Stock tendered and not validly withdrawn pursuant to the Exchange Offer;

(2) deliver to the Transfer Agent for cancellation and retirement certificates representing all shares of PIK Preferred Stock so accepted for exchange; and

(3) cause the Transfer Agent to countersign and deliver promptly to each Holder of shares of PIK Preferred Stock, certificates for the shares of Exchange Preferred Stock equal in liquidation preference to the shares of PIK Preferred Stock of such Holder so accepted (including the applicable redemption premium) for exchange.

(c) If, (i) because of any change in law or in currently prevailing interpretations of the Staff of the SEC, the Company is not permitted to effect an Exchange Offer, (ii) the Exchange Offer is not consummated by the Interim Financing Maturity Date, (iii) the Holders of not less than a majority of shares of the Registrable Preferred Stock determine that the interests of the Holders would be adversely affected by consummation of the Exchange Offer (in which event the Company shall not proceed with or consummate the Exchange Offer), or (iv) any Holder does not participate in the Exchange Offer, or the Company determines, or a Holder notifies the Company that, after the Exchange Offer, a Holder would not receive Exchange Preferred Stock on the date of the exchange that may be sold without restriction under state and federal securities laws (other than due solely to the status of such Holder as an affiliate of the Company within the meaning of the Securities Act), then in the case of each of clauses (i) to and including (iv) of this sentence (each event described in such clauses, a "Shelf Registration Trigger"), the Company shall promptly deliver to

the Holders written notice thereof (the "Shelf Notice") and shall file a Shelf

Registration pursuant to Section 3 hereof. Notice by a Holder to the Company that it does not intend to participate in the Exchange Offer shall also be treated as a Shelf Registration Trigger under clause (iv) as of

the notice date (which may be prior to commencement of the Exchange Offer or the Effectiveness Date).

(d) Anything in this Section to the contrary notwithstanding, the Company shall not be required to (i) file or have declared effective any Exchange Registration Statement (ii) proceed with or consummate any Exchange Offer or (iii) otherwise comply with the provisions of this Section 2, if a Shelf Registration Trigger of the nature described in Section 2(c)(iii) shall have occurred.

3. Shelf Registration

Upon the occurrence of a Shelf Registration Trigger:

(a) Shelf Registration. The Company shall as promptly as reasonably

practicable (but in no event shall such filing be required earlier than the Filing Date) file with the SEC a Registration Statement for an offering to be made on a continuous basis pursuant to Rule 415 covering all of the Registrable Preferred Stock or, in the case of a Shelf Registration Trigger pursuant to clause (iv), such shares as are the subject of the Company's determination or held by such Holder as described therein (the "Initial Shelf Registration").

The Company shall use its best efforts to file with the SEC the Initial Shelf Registration on or prior to the Filing Date. The Initial Shelf Registration shall be on Form S-1 or another appropriate form permitting registration of such Registrable Preferred Stock for resale by Holders in the manner or manners designated by them (including, without limitation, one or more underwritten offerings). The Company shall not permit any securities other than the Registrable Preferred Stock (or Exchange Debentures, as the case may be) to be included in the Initial Shelf Registration or any Subsequent Shelf Registration (as defined below).

The Company shall use its best efforts to cause the Initial Shelf Registration to be declared effective under the Securities Act on or prior to the Effectiveness Date and to keep the Initial Shelf Registration continuously effective under the Securities Act until the date that is two years from the Effectiveness Date, subject to extension pursuant to the last paragraph of Section 5 hereof, or such shorter period ending when (i) all the shares of Registrable Preferred Stock covered by the Initial Shelf

Registration have been sold in the manner set forth and as contemplated in the Initial Shelf Registration, (ii) the date on which all the Registrable Preferred Stock held by persons who are not affiliates of the Company may be resold pursuant to Rule 144(k) under the Securities Act, or (iii) a Subsequent Shelf Registration covering all of the Registrable Preferred Stock has been declared effective under the Securities Act (the "Effectiveness Period").

(b) Subsequent Shelf Registrations. If the Initial Shelf Registration or

any Subsequent Shelf Registration ceases to be effective for any reason at any time during the Effectiveness Period (other than because of the sale of all of the securities registered thereunder), the Company shall use its reasonable best efforts to obtain the prompt withdrawal of any order suspending the effectiveness thereof, and in any event shall within 45 days of such cessation of effectiveness amend the Initial Shelf Registration in a manner to obtain the withdrawal of the order suspending the effectiveness thereof, or file an additional "shelf" Registration Statement pursuant to Rule 415 covering all of the Registrable Preferred Stock (a "Subsequent Shelf Registration"). If a

Subsequent Shelf Registration is filed, the Company shall use its reasonable best efforts to cause the Subsequent Shelf Registration to be declared effective under the Securities Act as soon as practicable after such filing and to keep such Registration Statement continuously effective for a period equal to the number of days in the Effectiveness Period less the aggregate number of days during which the Initial Shelf Registration or any Subsequent Shelf Registration was previously continuously effective or, if less, the number of days until there are no shares of Registrable Preferred Stock outstanding. As used herein the term "Shelf Registration" means the Initial Shelf Registration and any

Subsequent Shelf Registration.

(c) Supplements and Amendments. The Company shall promptly supplement and

amend the Shelf Registration if required by the rules, regulations or instructions applicable to the registration form used for such Shelf Registration, if required by the Securities Act, or if reasonably requested by the Holders of a majority of shares of the Registrable Preferred Stock covered by such Registration Statement or by any underwriter of such Registrable Preferred Stock.

4. Additional Dividends

The Company and the Initial Purchasers agree that the Holders of Underlying Preferred Stock will suffer damages if the Company fails to fulfill its obligations under Section 2 or Section 3 hereof and that it would not be feasible to ascertain the extent of such damages with precision. Accordingly, the Company agrees to pay, as liquidated damages, additional dividends on the Underlying Preferred Stock ("Additional Dividends") under the circumstances and

to the extent set forth in the Certificate of Designation. The Company shall notify the Transfer Agent within one business day after each and every date on which an event occurs in respect of which Additional Dividends are required to be paid (an "Event Date"). Any Additional Dividends will be payable in

accordance with the Certificate of Designation on the next following dividend payment date.

5. Registration Procedures

In connection with the filing of any Registration Statement pursuant to Sections 2 or 3 hereof, the Company shall effect such registrations to permit the sale of the securities covered thereby in accordance with the intended method or methods of disposition thereof, and pursuant thereto and in connection with any Registration Statement filed by the Company hereunder the Company shall:

(a) Prepare and file with the SEC prior to the Filing Date, a Registration Statement or Registration Statements as prescribed by Sections 2 or 3 hereof, and use its reasonable best efforts to cause each such Registration Statement to become effective and remain effective as provided herein; provided, however,

that, if (1) such filing is pursuant to Section 3 hereof, or (2) a Prospectus contained in an Exchange Registration Statement filed pursuant to Section 2 hereof is required to be delivered under the Securities Act by any Participating Broker-Dealer who seeks to sell Exchange Preferred Stock during the Applicable Period, before filing any Registration Statement or Prospectus or any amendments or supplements thereto, the Company shall furnish to and afford the Holders of the Registrable Preferred Stock covered by such Registration Statement or each such Participating Broker-Dealer, as the case may be, their counsel and the managing underwriters, if any, a reasonable opportunity to review copies

of all such documents (including copies of any documents to be incorporated by reference therein and all exhibits thereto) proposed to be filed (in each case where possible at least five business days prior to such filing and where not possible as promptly as possible). The Company shall not file any Registration Statement or Prospectus or any amendments or supplements thereto if the Holders of a majority in aggregate liquidation preference of the shares of Registrable Preferred Stock covered by such Registration Statement, or any such Participating Broker-Dealer, as the case may be, their counsel, or the managing underwriters, if any, shall reasonably object.

(b) Prepare and file with the SEC such amendments and post-effective amendments to each Shelf Registration or Exchange Registration Statement, as the case may be, as may be necessary to keep such Registration Statement continuously effective for the Effectiveness Period or the Applicable Period, as the case may be; cause the related Prospectus to be supplemented by any Prospectus supplement required by applicable law, and as so supplemented to be filed pursuant to Rule 424 (or any similar provisions then in force) promulgated under the Securities Act; and comply with the provisions of the Securities Act and the Exchange Act applicable to it with respect to the disposition of all securities covered by such Registration Statement as so amended or in such Prospectus as so supplemented and with respect to the subsequent resale of any securities being sold by a Participating Broker-Dealer covered by any such Prospectus. The Company shall be deemed not to have used its reasonable best efforts to keep a Registration Statement effective during the Applicable Period if it voluntarily takes any action that would result in selling Holders of the Registrable Preferred Stock covered thereby or Participating Broker-Dealers seeking to sell Exchange Preferred Stock not being able to sell such Registrable Preferred Stock or such Exchange Preferred Stock during that period unless such action is required by applicable law or unless the Company complies with this Agreement, including without limitation, the provisions of paragraph 5(k) hereof and the last paragraph of this Section 5.

(c) If (1) a Shelf Registration is filed pursuant to Section 3 hereof, or (2) a Prospectus contained in an Exchange Registration Statement filed pursuant to Section 2 hereof is required to be delivered under the Securities Act by any

Participating Broker-Dealer who seeks to sell Exchange Preferred Stock during the Applicable Period, notify the selling Holders of shares of Registrable Preferred Stock, or each such Participating Broker-Dealer, as the case may be, their counsel and the managing underwriters, if any, promptly (but in any event within two business days), and confirm such notice in writing, (i) when a Prospectus or any Prospectus supplement or post-effective amendment has been filed, and, with respect to a Registration Statement or any post-effective amendment, when the same has become effective under the Securities Act (including in such notice a written statement that any Holder may, upon request, obtain, at the sole expense of the Company, one conformed copy of such Registration Statement or post-effective amendment including financial statements and schedules, documents incorporated or deemed to be incorporated by reference and exhibits), (ii) (A) of the receipt of any written comments by the SEC or its staff, (B) of the request by the SEC or its staff for amendments or supplements to a Registration Statement of a Prospectus, or (C) of the issuance by the SEC of any stop order suspending the effectiveness of a Registration Statement or of any order preventing or suspending the use of any preliminary prospectus or the initiation of any proceedings for that purpose, (iii) if at any time when a prospectus is required by the Securities Act to be delivered in connection with sales of the Registrable Preferred Stock or resales of Exchange Preferred Stock by Participating Broker-Dealers the representations and warranties of the Company contained in any agreement (including any underwriting agreement), contemplated by Section 5(m) hereof cease to be true and correct in all material respects, (iv) of the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of a Registration Statement or any of the Registrable Preferred Stock to be sold by any Participating Broker-Dealer for offer or sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose, (v) of the happening of any event, the existence of any condition or any information becoming known that makes any statement made in such Registration Statement or related Prospectus or any document incorporated or deemed to be incorporated therein by reference untrue in any material respect or that requires the making of any changes in or amendments or supplements to such Registration Statement, Prospectus or documents so that, in the case of the Registration Statement, it will not contain any untrue statement

of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, and that in the case of the Prospectus, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading and (vi) of the Company's determination that a post-effective amendment to a Registration Statement would be appropriate.

(d) If (1) a Shelf Registration is filed pursuant to Section 3 hereof, or (2) a Prospectus contained in an Exchange Registration Statement filed pursuant to Section 2 hereof is required to be delivered under the Securities Act by any Participating Broker-Dealer who seeks to sell Exchange Preferred Stock during the Applicable Period, use its reasonable best efforts to prevent the issuance of any order suspending the effectiveness of a Registration Statement or of any order preventing or suspending the use of a Prospectus or suspending the qualification (or exemption from qualification) of any of the Registrable Preferred Stock to be sold by any Participating Broker-Dealer, for sale in any jurisdiction and, if any such order is issued, to use its reasonable best efforts to obtain the withdrawal of any such order at the earliest possible moment.

(e) If a Shelf Registration is filed pursuant to Section 3 and if requested by the managing underwriter or underwriters (if any), or the Holders of a majority of aggregate the liquidation preference of the Registrable Preferred Stock being sold in connection with an underwritten offering or any Participating Broker-Dealer, (i) promptly incorporate in a prospectus supplement or post-effective amendment such information as the managing underwriter or underwriters (if any), such Holders, any Participating Broker-Dealer or counsel for any of them determine is reasonably necessary to be included therein, (ii) make all required filings of such prospectus supplement or such post-effective amendment as soon as practicable after the Company has received notification of the matters to be incorporated in such prospectus supplement or post-effective amendment and (iii) supplement or make amendments to such Registration Statement.

(f) If (1) a Shelf Registration is filed pursuant to Section 3 hereof, or (2) a Prospectus contained in an Exchange

Registration Statement filed pursuant to Section 2 hereof is required to be delivered under the Securities Act by any Participating Broker-Dealer who seeks to sell Exchange Preferred Stock during the Applicable Period, furnish to each selling Holder of Registrable Preferred Stock and to each such Participating Broker-Dealer who so requests and to counsel and each managing underwriter, if any, at the sole expense of the Company, one conformed copy of the Registration Statement or Registration Statements and each post-effective amendment thereto, including financial statements and schedules, and, if requested, all documents incorporated or deemed to be incorporated therein by reference and all exhibits.

(g) If (1) a Shelf Registration is filed pursuant to Section 3 hereof, or (2) a Prospectus contained in an Exchange Registration Statement filed pursuant to Section 2 hereof is required to be delivered under the Securities Act by any Participating Broker-Dealer who seeks to sell Exchange Preferred Stock during the Applicable Period, deliver to each selling Holder of Registrable Preferred Stock, or each such Participating Broker-Dealer, as the case may be, their respective counsel, and the underwriters, if any, at the sole expense of the Company, as many copies of the Prospectus (including each form of preliminary prospectus) and each amendment or supplement thereto and any documents incorporated by reference therein as such Persons may reasonably request; and, subject to the last paragraph of this Section 5, the Company hereby consents to the use of such Prospectus and each amendment or supplement thereto by each of the selling Holders of Registrable Preferred Stock or each such Participating Broker-Dealer, as the case may be, and the underwriters or agents, if any, and dealers (if any), in connection with the offering and sale of the Registrable Preferred Stock covered by, or the sale by Participating Broker-Dealers of the Exchange Preferred Stock pursuant to, such Prospectus and any amendment or supplement thereto.

(h) Prior to any public offering of Registrable Preferred Stock or any delivery of a Prospectus contained in the Exchange Registration Statement by any Participating Broker-Dealer who seeks to sell Exchange Preferred Stock during the Applicable Period, to use its reasonable best efforts to register or qualify, to the extent required by applicable law, and to cooperate with the selling Holders of a Registrable Preferred

Stock or each such Participating Broker-Dealer, as the case may be, the managing underwriter or underwriters, if any, and their respective counsel in connection with the registration or qualification (or exemption from such registration or qualification) of such Registrable Preferred Stock or offer and sale under the securities or Blue Sky laws of such jurisdictions within the United States as any selling Holder, Participating Broker-Dealer, or the managing underwriter or underwriters reasonably request; provided, however, that where Exchange

Preferred Stock held by Participating Broker-Dealers or Registrable Preferred Stock is offered other than through an underwritten offering, the Company agrees to cause the Company's counsel to perform Blue Sky investigations and file registrations and qualifications required to be filed pursuant to this Section 5(h); keep each such registration or qualification (or exemption therefrom) effective during the period such Registration Statement is required to be kept effective and do any and all other acts or things reasonably necessary or advisable to enable the disposition in such jurisdictions of the Exchange Preferred Stock held by Participating Broker-Dealers or the Registrable Preferred Stock covered by the applicable Registration Statement; provided,

however, that the Company shall not be required to qualify as a foreign

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corporation or to execute a general consent to service of process in any jurisdiction or subject itself to taxation generally in any jurisdiction.

(i) If a Shelf Registration is filed pursuant to Section 3 hereof, cooperate with the selling Holders of Registrable Preferred Stock and the managing underwriter or underwriters, if any, to facilitate the timely preparation and delivery of certificates representing shares of Registrable Preferred Stock to be sold, which certificates shall not bear any restrictive legends and shall be in a form eligible for deposit with The Depository Trust Company; and enable such shares of Registrable Preferred Stock to be in such denominations and registered in such names as the managing underwriter or underwriters, if any, or Holders may reasonably request.

(j) Use its reasonable best efforts to cause the Registrable Preferred Stock covered by the Shelf Registration Statement or Exchange Registration Statement to be registered with or approved by such other governmental agencies or authorities as may be necessary to enable the seller or sellers

thereof or the underwriter or underwriters, if any, to consummate the disposition of such Registrable Preferred Stock, except as may be required solely as a consequence of the nature of such selling Holder's business, in which case the Company will cooperate in all reasonable respects with the filing of such Registration Statement and the granting of such approvals.

(k) If (1) a Shelf Registration is filed pursuant to Section 3 hereof, or (2) a Prospectus contained in an Exchange Registration Statement filed pursuant to Section 2 hereof is required to be delivered under the Securities Act by any Participating Broker-Dealer who seeks to sell Exchange Preferred Stock during the Applicable Period, upon the occurrence of any event contemplated by paragraph 5(c)(ii)(C), 5(c)(v) or 5(c)(vi) hereof, as promptly as practicable prepare and (subject to Section 5(a) hereof) file with the SEC, at the sole expense of the Company, a supplement or post-effective amendment to the Registration Statement or a supplement to the related Prospectus or any document incorporated or deemed to be incorporated therein by reference, or file any other required document so that, as thereafter delivered to the purchasers of the Registrable Preferred Stock being sold thereunder or to the purchasers of the Exchange Preferred Stock to whom such Prospectus will be delivered by a Participating Broker-Dealer, any such Prospectus 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, in the light of the circumstances under which they were made, not misleading.

(l) Prior to the effective date of the first Registration Statement relating to the Registrable Preferred Stock, (i) provide the Transfer Agent with certificates for the Registrable Preferred Stock in a form eligible for deposit with The Depository Trust Company and (ii) provide a CUSIP number for the Registrable Preferred Stock.

(m) In connection with any underwritten offering of Registrable Preferred Stock pursuant to a Shelf Registration, enter into an underwriting agreement as is customary in underwritten offerings of preferred stock similar to the Exchangeable Preferred Stock and take all such other actions as are reasonably requested by the managing underwriter or underwriters; in order to expedite or facilitate the registration

or the disposition of such Registrable Preferred Stock and, in such connection, (i) make such representations and warranties to, and covenants with, the underwriters with respect to the business of the Company and its subsidiaries (including any acquired business, properties or entity, if applicable) and the Registration Statement, Prospectus and documents, if any, incorporated or deemed to be incorporated by reference therein, in each case, as are customarily made by issuers to underwriters in underwritten offerings of preferred stock similar to the Exchangeable Preferred Stock, and confirm the same in writing if and when requested; (ii) obtain the written opinion of counsel to the Company and written updates thereof in form, scope and substance reasonably satisfactory to the managing underwriter or underwriters, addressed to the underwriters covering the matters customarily covered in opinions requested in underwritten offerings of preferred stock similar to the Registrable Preferred Stock and such other matters as may be reasonably requested by the managing underwriter or underwriters; (iii) obtain "cold comfort" letters and updates thereof in form, scope and substance reasonably satisfactory to the managing underwriter or underwriters from the independent certified public accountants of the Company (and, if necessary, any other independent certified public accountants of any subsidiary the Company or of any business acquired by the Company for which financial statements and financial data are, or are required to be, included or incorporated by reference in the Registration Statement), addressed to each of the underwriters, such letters to be in customary form and covering matters of the type customarily covered in "cold comfort" letters in connection with underwritten offerings of preferred stock similar to the Exchangeable Preferred Stock and such other matters as reasonably requested by the managing underwriter or underwriters; and (iv) if an underwriting agreement is entered into, the same shall contain indemnification provisions and procedures no less favorable than those set forth in Section 7 hereof (or such other provisions and procedures acceptable to Holders of a majority in aggregate liquidation preference of shares of Registrable Preferred Stock covered by such Registration Statement and the managing underwriter or underwriters or agents) with respect to all parties to be indemnified pursuant to said Section. The above shall be done at each closing under such underwriting agreement, or as and to the extent required thereunder.

(n) If (1) a Shelf Registration is filed pursuant to Section 3 hereof, or (2) a Prospectus contained in an Exchange Registration Statement filed pursuant to Section 2 hereof is required to be delivered under the Securities Act by any Participating Broker-Dealer who seeks to sell Exchange Preferred Stock during the Applicable Period, make available for inspection by any selling Holder of such Registrable Preferred Stock being sold, or each such Participating Broker-Dealer, as the case may be, any underwriter participating in any such disposition of Registrable Preferred Stock, if any, and any attorney, accountant or other agent retained by any such selling Holder or each such Participating Broker-Dealer, as the case may be, or underwriter (collectively, the "Inspectors"), at the offices where normally kept, during reasonable business

hours at such time or times as shall be mutually convenient for the Company and the Inspectors as a group, all financial and other records, pertinent corporate documents and instruments of the Company and its subsidiaries (collectively, the "Records") as shall be reasonably necessary to enable them to exercise any

applicable due diligence responsibilities, and cause the officers, directors and employees of the Company and its subsidiaries to supply all information reasonably requested by any such Inspector in connection with such Registration Statement. Records that the Company determines, in good faith, to be confidential and any Records that it notifies the Inspectors are confidential shall not be disclosed by any Inspector unless (i) the disclosure of such Records is necessary to avoid or correct a misstatement or omission in such Registration Statement, (ii) the release of such Records is ordered pursuant to a subpoena or other order from a court of competent jurisdiction, (iii) disclosure of such information is, in the opinion of counsel for any Inspector, necessary or advisable in connection with any action, claim, suit or proceeding, directly, involving or potentially involving such Inspector and arising out of, based upon, relating to, or involving this Agreement or any transactions contemplated hereby or arising hereunder or (iv) the information in such Records has been made generally available to the public other than through the acts of such Inspector. Each selling Holder of such Registrable Securities and each such Participating Broker-Dealer will be required to agree that information obtained by it as a result of such inspections shall be deemed confidential and shall not be used by it as the basis for any market transactions in the securities of the Company unless and until such information is

generally available to the public. Each selling Holder of such Registrable Preferred Stock and each such Participating Broker-Dealer will be required to further agree that it will, upon learning that disclosure of such Records is sought in a court of competent jurisdiction, give notice to the Company and allow the Company to undertake appropriate action to prevent disclosure of the Records deemed confidential at the Company's sole expense.

(o) Provide (A) the Holders of the Registrable Preferred Stock to be included in such registration statement and not more than one counsel for all the Holders of such Registrable Preferred Stock, (B) the underwriters (which term, for purposes of this Registration Rights Agreement, shall include a person deemed to be an underwriter within the meaning of Section 2(11) of the Securities Act), if any, thereof, (C) the sales or placement agent, if any, thereof, (D) each Participating Broker-Dealer, and (E) one counsel for such underwriters or agents and Participating Broker-Dealers, if any, reasonable opportunity to participate in the preparation of such registration statement, each prospectus included therein or filed with the SEC, and each amendment or supplement thereto;

(p) Comply with all applicable rules and regulations of the SEC and make generally available to its securityholders earning statements satisfying the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder (or any similar rule promulgated under the Securities Act) no later than 45 days after the end of any 12-month period (or 90 days after the end of any 12-month period if such period is a fiscal year) (i) commencing at the end of any fiscal quarter in which Registrable Preferred Stock is sold to underwriters in a firm commitment or best efforts underwritten offering and (ii) if not sold to underwriters in such an offering, commencing on the first day of the first fiscal quarter of the Company after the effective date of a Registration Statement, which statements shall cover said 12-month periods.

(q) Upon consummation of an Exchange Offer, obtain an opinion of counsel to the Company, in a form customary for underwritten transactions, addressed to the Transfer Agent for the benefit of all Holders of Registrable Preferred Stock participating in the Exchange Offer that the Exchange Preferred

Stock is duly authorized, validly issued, fully paid and non-assessable.

(r) If an Exchange Offer is to be consummated, upon delivery of shares of Registrable Preferred Stock by Holders to the Company (or to such other Person as directed by the Company) in exchange for shares of Exchange Preferred Stock, the Company shall mark, or cause to be marked, on the certificates representing such shares of Registrable Preferred Stock that such shares of Registrable Preferred Stock are being cancelled in exchange for the Exchange Preferred Stock.

(s) Cooperate with each seller of Registrable Preferred Stock covered by any Registration Statement and each underwriter, if any, participating in the disposition of such Registrable Preferred Stock and their respective counsel in connection with any filings required to be made with the National Association of Securities Dealers, Inc. (the "NASD"), including if the Rules of Fair Practice

and the By-Laws of the NASD or any successor thereto, as amended from time to time (including Schedule E thereto) so require, engaging a "qualified independent underwriter" ("QIU") as contemplated therein and making Records available to such QIU as though it were a participating underwriter for the purposes of Section 5(n) and otherwise applying the provisions of this Agreement to such QIU (including indemnification) as though it were a participating underwriter.

(t) Provide an indenture trustee for the indenture relating to the Exchange Debentures (the "Exchange Indenture") and cause the Exchange Indenture to be qualified under the TIA not later than the effective date of the Exchange Offer or the first Registration Statement relating to the Registrable Preferred Stock; and in connection therewith, cooperate with the trustee under the Exchange Indenture and the Holders of the Registrable Preferred Stock to effect such changes to such indenture as may be required for such indenture to be so qualified in accordance with the terms of the TIA; and execute, and use its best efforts to cause such trustee to execute, all documents as may be required to effect such changes, and all other forms and documents required to be filed with the SEC to enable the Exchange Indenture to be so qualified in a timely manner.

(u) Use its reasonable best efforts to cause the Registrable Preferred Stock covered by a Registration Statement

or the Exchange Preferred Stock, as the case may be, to be rated with the appropriate rating agencies, if so requested by the Holders of a majority of shares of Registrable Preferred Stock covered by such Registration Statement or the Exchange Preferred Stock, as the case may be, or the managing underwriter or underwriters, if any.

(v) Use its reasonable best efforts to take all other steps necessary or advisable to effect the registration of the Exchange Preferred Stock and/or Registrable Preferred Stock covered by a Registration Statement contemplated hereby.

The Company may require each seller of Registrable Preferred Stock as to which any registration is being effected to furnish to the Company such information regarding such seller and the distribution of such Registrable Preferred Stock as the Company may, from time to time, reasonably request to the extent necessary to comply with the Securities Act. The Company may exclude from such registration the Registrable Preferred Stock of any seller who unreasonably fails to furnish such information within a reasonable time after receiving such request. Each seller as to which any Shelf Registration is being effected agrees to furnish promptly to the Company all information required to be disclosed in order to make the information previously furnished to the Company by such seller not materially misleading or to omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances under which they were made.

Each Holder of Registrable Preferred Stock and each Participating Broker-Dealer agrees by acquisition of such Registrable Preferred Stock or Exchange Preferred Stock to be sold by such Participating Broker-Dealer, as the case may be, that, upon actual receipt of any notice from the Company of the happening of any event of the kind described in Section 5(c)(ii)(C), 5(c)(iv), 5(c)(v), or 5(c)(vi) hereof, such Holder will forthwith discontinue disposition of such Registrable Preferred Stock covered by such Registration Statement or Prospectus or Exchange Preferred Stock to be sold by such Holder or Participating Broker-Dealer, as the case may be, until such Holder's or Participating Broker-Dealer's receipt of the copies of the supplemented or amended Prospectus contemplated by Section

5(k) hereof, or until it is advised in writing (the "Advice") by the Company

that the use of the applicable Prospectus may be resumed, and has received copies of any amendments or supplements thereto. In the event the Company shall give any such notice, each of the Effectiveness Period and the Applicable Period shall be extended by the number of days during such periods from and including the date of the giving of such notice to and including the date when each seller of Registrable Preferred Stock covered by such Registration Statement or Exchange Preferred Stock to be sold by such Participating Broker-Dealer, as the case may be, shall have received (x) the copies of the supplemented or amended Prospectus contemplated by Section 5(k) hereof or (y) the Advice.

6. Registration Expenses

(a) All fees and expenses incident to the performance of or compliance with this Agreement by the Company shall be borne by the Company whether or not the Exchange Registration Statement or a Shelf Registration is filed or becomes effective, including, without limitation, (i) all registration and filing fees (including, without limitation, (A) fees with respect to filings required to be made with the NASD in connection with an underwritten offering and (B) fees and expenses of compliance with state securities or Blue Sky laws (including, without limitation, reasonable fees and disbursements of counsel in connection with Blue Sky qualifications of the Registrable Preferred Stock and determination of the eligibility of the Registrable Preferred Stock for investment under the laws of such jurisdictions as provided in Section 5(h) hereof, in the case of Registrable Preferred Stock or Exchange Preferred Stock to be sold by a Participating Broker-Dealer during the Applicable Period)), (ii) printing expenses, including, without limitation, expenses of printing certificates for Registrable Preferred Stock in a form eligible for deposit with The Depository Trust Company and of printing prospectuses if the printing of prospectuses is requested by the managing underwriter or underwriters, if any, by the Holders of a majority of shares of the Registrable Preferred Stock included in any Registration Statement or sold by any Participating Broker-Dealer as the case may be, (iii) messenger, telephone and delivery expenses, (iv) fees and disbursements of counsel for the Company and fees and disbursements of special counsel for the sellers of Registrable Preferred Stock (subject to the provisions of Section 6(b) hereof), (v) fees and

disbursements of all independent certified public accountants referred to in Section 5(m)(iii) hereof (including, without limitation, the expenses of any special audit and "cold comfort" letters required by or incident to such performance), (vi) rating agency fees, (vii) Securities Act liability insurance, if the Company desires such insurance, (viii) fees and expenses of all other Persons retained by the Company, (ix) internal expenses of the Company (including, without limitation, all salaries and expenses of officers and employees of the Company performing legal or accounting duties), (x) the expense of any annual audit, (xi) the fees and expenses incurred in connection with the listing of the securities to be registered on any securities exchange, if applicable, and (xii) the expenses relating to printing, word processing and distributing all Registration Statements, underwriting agreements, securities sales agreements, indentures and any other documents necessary in order to comply with this Agreement.

(b) The Company shall reimburse the Holders of the Registrable Preferred Stock being registered in a Shelf Registration for the reasonable fees and disbursements of not more than one counsel (in addition to appropriate local counsel) chosen by the Holders of a majority of shares of the Registrable Preferred Stock to be included in such Registration Statement and other reasonable out-of-pocket expenses of such Holders of Registrable Preferred Stock incurred in connection with the registration and sale of the Registrable Preferred Stock pursuant to the Exchange Offer.

7. Indemnification -----

(a) The Company will indemnify and hold harmless each Holder of Registrable Preferred Stock, each Person that participates as an underwriter or sales agent in any sale of such Registered Preferred Stock and each Participating Broker-Dealer selling Exchange Preferred Stock during the Applicable Period (each a "Participant") against any losses, claims, damages or liabilities, joint or several, to which such Participant may become subject, under the Securities Act or the Exchange 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 or Prospectus, or

any amendment or supplement thereto or any related preliminary prospectus or arise out of or are based upon the omission or alleged omission to state therein a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, and will reimburse each Participant for any legal or other expenses reasonably incurred by such Participant in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred; provided,

however, that the Company will not be liable in any such case to the extent that

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any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement in or omission or alleged omission from any of such documents in reliance upon and in conformity with written information furnished to the Company by any Initial Purchaser or Participant specifically for use therein; provided, further, that the Company will not be

liable if such untrue statement or omission or alleged untrue statement or omission was contained or made in any preliminary prospectus and corrected in the Prospectus or any amendment or supplement thereto and the Prospectus does not contain any other untrue statement or omission or alleged untrue statement or omission of a material fact that was the subject matter of the related proceeding and any such loss, liability, claim, damage or expense suffered or incurred by the Participants resulted from any action, claim or suit by any Person who purchased Registrable Preferred Stock or Exchange Preferred Stock that is the subject thereof from such Participant and it is established in the related proceeding that such Participant failed to deliver or provide a copy of the Prospectus (as amended or supplemented) to such Person with or prior to the confirmation of the sale of such Registrable Preferred Stock or Exchange Preferred Stock sold to such Person if required by applicable law, unless such failure to deliver or provide a copy of the Prospectus (as amended or supplemented) was a result of noncompliance by the Company with Section 5 of this Agreement.

(b) The Company may require, as a condition to including Registrable Preferred Stock in any Registration Statement, that the related Participant agree severally and not jointly to indemnify and hold harmless the Company against any losses, claims, damages or liabilities to which the Company may become subject, under the Securities Act or the Exchange Act or otherwise, insofar as such losses, claims, damages or liabilities

(or actions in respect hereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the any Registration Statement or Prospectus, or any amendment or supplement thereto, or any related prospectus, or arise out of or are based upon the omission or the alleged omission to state therein a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company by such Participant specifically for use therein, and will reimburse any legal or other expenses reasonably incurred by the Company in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred. The liability of any Participant under this paragraph shall in no event exceed the net proceeds received by such Participant from sales of Registrable Preferred Stock or Exchange Preferred Stock giving rise to such obligations.

(c) Promptly after receipt by an indemnified party under this Section of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under subsection (a) or (b) above, notify the indemnifying party of the commencement thereof; but the omission so to notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party otherwise than under subsection (a) or (b) above. In case any such action is brought against any indemnified party and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party will not be liable to such indemnified party under this Section for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party

shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened action in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party unless such settlement includes an unconditional release of such indemnified party from all liability on any claims that are the subject matter of such action.

(d) If the indemnification provided for in this Section is unavailable or insufficient to hold harmless an indemnified party under subsection (a) or (b) above, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of the losses, claims, damages or liabilities referred to in subsection (a) or (b) above (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Participants on the other from the offering of the Registrable Preferred Stock or Exchange Preferred Stock or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company on the one hand and the Participants on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and any Participant on the other shall be deemed to be in the same proportion as the total net proceeds from the initial offering of the Exchangeable Preferred Stock (before deducting expenses) received by the Company bear to the total net proceeds received by such Participant from sales of Registrable Preferred Stock or Exchange Preferred Stock giving rise to such obligations. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or such Participant and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The amount paid by an indemnified party as a result of the losses, claims, damages or liabilities referred to in the first sentence of this subsection (d) shall be deemed to include any legal or other expenses

reasonably incurred by such indemnified party in connection with investigating or defending any action or claim which is the subject of this subsection (d). Notwithstanding the provisions of this subsection (d), no Participant shall be required to contribute any amount in excess of the amount by which the net proceeds received by such Participant from sales of Registrable Preferred Stock or Exchange Preferred Stock exceeds the amount of any damages which such Participant has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Participants' obligations in this subsection (d) to contribute are several in proportion to their respective liquidation preferences of Registrable Preferred Stock or Exchange Preferred Stock registered pursuant to this Agreement, and not joint.

(e) The obligations of the Company under this Section shall be in addition to any liability which the Company may otherwise have and shall extend, upon the same terms and conditions, to each officer, director and partner of each Participant and to each Person, if any, who controls any Participant within the meaning of the Securities Act or the Exchange Act; and the obligations of the Participant under this Section shall be in addition to any liability which the respective Participant otherwise have and shall extend, upon the same terms and conditions, to each officer and director of the Company and to each Person, if any, who controls the Company within the meaning of the Securities Act or the Exchange Act.

8. Rules 144 and 144A.

The Company covenants that it will file the reports required to be filed by it under the Securities Act and the Exchange Act and the rules and regulations adopted by the SEC thereunder in a timely manner in accordance with the requirements of the Securities Act and the Exchange Act and such rules and regulations and, if at any time the Company is not required to file such reports, it will, upon the request of any Holder of Registrable Preferred Stock, make publicly available annual reports and such information, documents and other reports of the type specified in Sections 13 and 15(d) of the Exchange Act. The

Company further covenants for so long as any Registrable Preferred Stock remains outstanding, to make available to any Holder or beneficial owner of Registrable Preferred Stock in connection with any sale thereof and any prospective purchaser of such Registrable Preferred Stock from such Holder or beneficial owner, the information required by Rule 144A(d)(4) under the Securities Act in order to permit resales of such Registrable Preferred Stock pursuant to Rule 144A.

9. Underwritten Registrations.

If any of the Registrable Preferred Stock covered by any Shelf Registration is to be sold in an underwritten offering, the investment banker or investment bankers and manager or managers that will manage the offering will be selected by the Holders of a majority of shares of such Registrable Preferred Stock included in such offering and reasonably acceptable to the Company.

No Holder of Registrable Preferred Stock may participate in any underwritten registration hereunder unless such Holder (a) agrees to sell such Holder's Registrable Preferred Stock on the basis provided in any underwriting arrangements approved by the Persons entitled hereunder to approve such arrangements and (b) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents required under the terms of such underwriting arrangements.

10. Representations and Warranties.

The Company represents and warrants to, and agrees with, each Initial Purchaser and each of the Holders from time to time of Registrable Securities that:

(a) Each registration statement covering Registrable Preferred Stock and each prospectus (including any preliminary or summary prospectus) contained therein or furnished pursuant to this Agreement and any further amendments or supplements to any such registration statement or prospectus, when it becomes effective or is filed with the SEC, as the case may be, and, in the case of an underwritten offering of Registrable Preferred Stock, at the time of the closing under the underwriting agreement relating thereto, will conform in all material respects to the requirements of the Securities Act and the TIA and the

rules and regulations of the SEC and any such registration statement and any amendment thereto will not include any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading and any such prospectus or any amendment or supplement thereto will not include any 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 in light of the circumstances then existing; and at all times subsequent to the time of effectiveness of any such registration statement when a prospectus would be required to be delivered under the Securities Act, other than from (i) such time as a notice has been given to holders of Registrable Preferred Stock pursuant to the last paragraph of Section 5 or Section 5(k) hereof until (ii) such time as the Company furnishes an amended or supplemented prospectus pursuant to Section 5(k) hereof or otherwise gives an Advice, each such registration statement, and each prospectus (including any summary prospectus) contained therein or furnished pursuant to Section 5(k) or Section 5(g) hereof, as then amended or supplemented, will conform in all material respects to the requirements of the Securities Act and the TIA and the rules and regulations of the SEC and will not include any untrue statement of any material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing; provided,

however, that this representation and warranty does not apply to any statements

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or omissions from a registration statement or prospectus (including any preliminary or summary prospectus) based upon written information furnished to the Company by any underwriter, sales agent, Holder or Participating Broker-Dealer specifically for use therein.

(b) Any documents incorporated by reference in any prospectus referred to in Section 5(a) hereof, when they become or became effective or are or were filed with the SEC, as the case may be, will conform or conformed in all material respects to the requirements of the Securities Act or the Exchange Act, as applicable, and none of such documents will include or included an untrue statement of any material fact or will omit or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading; provided, however, that this representation and warranty does not

apply to any statements or omissions from a registration statement or the prospectus (including any preliminary or summary prospectus) based upon written information furnished to the Company by any underwriter, sales agent, Holder or Participating Broker-Dealer specifically for use therein.

(c) The issuance and sale of the Registrable Preferred Stock did not and will not, and the execution, delivery and performance of this Agreement and the consummation of the transactions herein contemplated will not, result in a breach or violation of any of the terms and provisions of, or constitute a default under, any statute, any rule, regulation, order or policy of any governmental agency or body or any court, domestic or foreign, having jurisdiction over the Company or any subsidiary of the Company or any of their properties, the Senior Credit Facility as defined in the Purchase Agreement or any other agreement or instrument to which the Company or any such subsidiary is a party or by which the Company or any such subsidiary is bound or to which the Company or any such subsidiary has agreed to become bound, or to which any of the properties of the Company or any such subsidiary is subject, or the charter or by-laws (or other constituent document) of the Company or any such subsidiary.

11. Miscellaneous

(a) No Inconsistent Agreements. The Company has not, as of the date

hereof, and the Company shall not, after the date of this Agreement, enter into any agreement with respect to any of its securities that is inconsistent with the rights granted to the Holders of Registrable Preferred Stock in this Agreement or otherwise conflicts with the provisions hereof. The Company has not entered and will not enter into any agreement with respect to any of its securities that will grant to any Person piggyback registration rights with respect to a Registration Statement.

(b) Adjustments Affecting Registrable Preferred Stock. The Company shall

not, directly or indirectly, take any action with respect to the Registrable Preferred Stock as a class that would adversely affect the ability of the Holders of Registrable Preferred Stock to include such Registrable Preferred Stock in a registration undertaken pursuant to this Agreement.

(c) Amendments and Waivers. The provisions of this Agreement may not be

amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, otherwise than with the prior written consent of the Company and (A) the Holders of not less than a majority of liquidation preference of the then outstanding Registrable Preferred Stock and (B) in circumstances that would adversely affect the Participating Broker-Dealers, the Participating Broker-Dealers holding not less than a majority of liquidation preference of the Exchange Preferred Stock held by all Participating Broker-Dealers; provided, however, that Section 7 and this Section 11(c) may not

be amended, modified or supplemented without the prior written consent of the Company and each Holder and each Participating Broker-Dealer (including any person who was a Holder or Participating Broker-Dealer of Registrable Preferred Stock or Exchange Preferred Stock, as the case may be, disposed of pursuant to any Registration Statement). Notwithstanding the foregoing, a waiver or consent to depart from the provisions hereof with respect to a matter that relates exclusively to the rights of Holders of Registrable Preferred Stock whose securities are being sold pursuant to a Registration Statement and that does not directly or indirectly affect, impair, limit or compromise the rights of other Holders of Registrable Preferred Stock may be given by Holders of at least a majority of shares of the Registrable Preferred Stock being sold by such Holders pursuant to such Registration Statement; provided, however, that the

provisions of this sentence may not be amended, modified or supplemented except in accordance with the provisions of the immediately preceding sentence. For purposes only of this subsection (c), "Registrable Preferred Stock" also includes outstanding PIK Preferred Stock that has not yet been exchanged for Registrable Preferred Stock.

(d) Notices. All notices and other communications provided for or

permitted hereunder shall be made in writing by hand-delivery, registered first-class mail, next-day air courier or facsimile:

(1) if to a Holder of the Registrable Preferred Stock or any Participating Broker-Dealer, at the most current address of such Holder or Participating Broker-Dealer, as the case may be, on the stock books of the Company with a copy in like manner to the Initial Purchasers as follows:

CREDIT SUISSE FIRST BOSTON CORPORATION,
CONSECO LIFE INSURANCE COMPANY,
AMERICAN TRAVELLERS LIFE INSURANCE CO.,
GREAT AMERICAN RESERVE INSURANCE CO.
c/o Credit Suisse First Boston Corporation
Eleven Madison Avenue
New York, New York 10010
Facsimile No: (212) 325-8278
Attention: Investment Banking Department
Transactions Advisory Group

with a copy to:

Sullivan & Cromwell
125 Broad Street
New York, New York 10004
Facsimile No: (212) 558-3588
Attention: John T. Bostelman, Esq.

(2) if to the Initial Purchasers, at the addresses specified in Section
11(d)(1);

(3) if to the Company, at the addresses as follows:

American Tower Systems Corporation
116 Huntington Avenue
Boston, Massachusetts 02116
Facsimile No: (617) 375-7575
Attention: Steven B. Dodge

with copies to:

Sullivan & Worcester
One Post Office Square
Boston, Massachusetts 02109
Facsimile No: (617) 338-2800
Attention: Norman Bikales, Esq.

All such notices and communications shall be deemed to have been duly
given: when delivered by hand, if personally delivered; five business days after
being deposited in the mail, postage

prepaid, if mailed; one business day after being timely delivered to a next-day air courier; and when receipt is acknowledged by the addressee, if sent by facsimile.

(e) Successors and Assigns. This Agreement shall inure to the benefit

of and be binding upon the successors and assigns of each of the parties hereto, including the Holders; provided, however, that this Agreement shall not inure to

the benefit of or be binding upon a successor or assign of a Holder unless and except to the extent such successor or assign holds Registrable Preferred Stock.

(f) Counterparts. This Agreement may be executed in any number of

counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

(g) Headings. The headings in this Agreement are for convenience of

reference only and shall not limit or otherwise affect the meaning hereof.

(h) Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED

IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, AS APPLIED TO CONTRACTS MADE AND PERFORMED WHOLLY WITHIN THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW. EACH OF THE PARTIES HERETO AGREES TO SUBMIT TO THE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT.

(i) Severability. If any term, provision, covenant or restriction of

this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their best efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without

including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

(j) Securities Held by the Company or Its Affiliates. Whenever the consent

or approval of Holders of a specified percentage of shares of Registrable Preferred Stock is required hereunder, shares of Registrable Preferred Stock held by the Company or its affiliates (as such term is defined in Rule 405 under the Securities Act) shall not be counted in determining whether such consent or approval was given by the Holders of such required percentage.

(k) Third Party Beneficiaries. Holders of Registrable Preferred Stock

and Participating Broker-Dealers are intended third party beneficiaries of this Agreement and this Agreement may be enforced by such Persons.

(l) Entire Agreement. This Agreement, together with the Purchase

Agreement and the Certificate of Designation, is intended by the parties as a final and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein and therein and any and all prior oral or written agreements, representations, or warranties, contracts, understandings, correspondence, conversations and memoranda between the Initial Purchasers on the one hand and the Company on the other, or between or among any agents, representatives, parents, subsidiaries, affiliates, predecessors in interest or successors in interest with respect to the subject matter hereof and thereof are merged herein and replaced hereby.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

AMERICAN TOWER SYSTEMS CORPORATION

By: /s/ Joseph L. Winn

Name: Joseph L. Winn
Title: Chief Financial Officer

CREDIT SUISSE FIRST BOSTON
CORPORATION

By: /s/ Kristin M. Allen

Name: Kristin M. Allen
Title: Managing Director

CONSECO LIFE INSURANCE COMPANY

By: /s/ Eric Johnson

Name: Eric Johnson
Title: Vice President

AMERICAN TRAVELLERS LIFE INSURANCE CO.

By: /s/ Eric Johnson

Name: Eric Johnson
Title: Vice President

GREAT AMERICAN RESERVE INSURANCE CO

By: /s/ Eric Johnson

Name: Eric Johnson
Title: Vice President

ESCROW AGREEMENT

THIS ESCROW AGREEMENT (the "Agreement") is entered into as of June 4, 1998 by and among American Tower Systems Corporation, a Delaware corporation ("ATS") and Harris Trust and Savings Bank ("Harris"), as Escrow Agent ("Escrow Agent") and as Transfer Agent ("Transfer Agent").

RECITALS

A. ATS has authorized the issuance of and agreed to sell to the several purchasers, subject to certain conditions, up to \$400 million aggregate initial liquidation preference of the Company's Series A Redeemable Pay-In-Kind Preferred Stock, \$.01 par value per share (the "PIK Preferred Stock"), exchangeable by holders in accordance with their terms into shares of ATS's Series A Exchange Pay-In-Kind Preferred Stock, \$.01 par value per share (the "Exchange Preferred Stock"), shares of Exchange Preferred Stock being exchangeable, in ATS's sole discretion, in accordance with their terms for Subordinated Exchange Debentures due 2010 (the "Exchange Debentures");

B. The PIK Preferred Stock has been or will be issued pursuant to a certificate of designation (the "PIK Certificate") in the form attached hereto as Exhibit A, and the Exchange Preferred Stock has been or will be issued pursuant to a certificate of designation (the "Exchange Certificate") in the form attached hereto as Exhibit B.

C. ATS has agreed to deliver to the Escrow Agent certificates representing at least \$500,000,000 in aggregate liquidation preference of Exchange Preferred Stock plus from time to time such additional shares of Exchange Preferred Stock as shall be necessary to permit the exchange of all outstanding PIK Preferred Stock into Exchange Preferred Stock.

D. Harris Trust and Savings Bank has agreed to act as (i) Transfer Agent with respect to the PIK Preferred Stock and the Exchange Preferred Stock and (ii) Escrow Agent under this Escrow Agreement.

E. ATS has delivered irrevocable transfer instructions to the Transfer Agent and Escrow Agent (a copy of which is attached hereto as Annex A).

F. The parties hereto desire to establish the terms and conditions pursuant to which the Escrow Shares (as hereinafter defined) will be deposited with, held by, and disbursed by the Escrow Agent.

NOW, THEREFORE, the parties agree as follows:

1. ESCROW.

1.1 DEPOSIT OF ESCROW SHARES. On the date hereof, ATS shall deliver to the Escrow Agent certificates representing at least \$500,000,000 in aggregate liquidation preference of the Exchange Preferred Stock (the "Escrow Shares"). The Escrow Shares will be represented by certificate(s) issued in the name of the Escrow Agent and accompanied by additional certificates (the "Additional Certificates") issued in blank in name with an aggregate liquidation preference equal to \$500,000,000 and executed by the Company and prepared for countersignature by the Transfer Agent. The Escrow Shares and the Additional Certificates will be held by the Escrow Agent from the date of their delivery until the expiration of the Escrow Period (as defined in Section 1.2 below). The Escrow Shares shall include such additional Shares represented by the Additional Certificates as ATS may from time to time direct the Transfer Agent to countersign and deliver to the Escrow Agent to be held pursuant hereto as Escrow Shares. The Escrow Agent need not inquire into whether or not the correct number of Escrow Shares have been delivered to it and may assume that the certificates delivered to it are all that it is required to receive.

1.2 DISTRIBUTION OF ESCROW SHARES.

(a) ESCROW PERIOD. The Escrow Shares and the Additional Certificates will be held in escrow, subject to the exchange of Escrow Shares and the Additional Certificates in accordance with Section 2.1, for so long as any shares of PIK Preferred Stock remain outstanding ("Escrow Period"). ATS shall promptly notify the Escrow Agent in writing of the date the PIK Preferred Stock no longer remains outstanding no longer remains outstanding.

(b) EXPIRATION. Upon written notification to the Escrow Agent by ATS and Credit Suisse First Boston Corporation ("CSFBC") that the Escrow Period has expired, on which notification the Escrow Agent may rely without inquiry, the Escrow Agent shall release from escrow to ATS any remaining Escrow Shares and all Additional Certificates promptly and, in any event, within three business days; provided, however, that ATS may in such written notification direct the Escrow Agent to cancel such remaining Escrow Shares and Additional Certificates which the Escrow Agent agrees to do in such event prior to delivering them to ATS.

1.3 NO ENCUMBRANCE. No Escrow Shares, Additional Certificates or Exchange Debentures or any beneficial interest therein may be pledged, sold, assigned, transferred, or otherwise encumbered, including by operation of law, by ATS or the Escrow Agent, or any other person, or be taken or reached by any legal or equitable process in satisfaction of any debt or other liability of ATS or the Escrow Agent, or any other person, prior to the termination of the Escrow Period.

2. EXCHANGE.

2.1 EXCHANGE. Promptly following the later of (a) the Interim Financing Maturity Date (as defined in the PIK Certificate) and (b) presentment by a holder of PIK Preferred Stock of the certificates representing such stock together with stock powers executed in favor of ATS, with signature guaranteed by an "Eligible Institution" (the Escrow Agent) will deliver certificates to the Transfer Agent who will countersign and issue certificates registered in the name of such holder or its nominee representing the liquidation preference amount of Exchange Preferred Stock to which such holder is entitled pursuant to Section 8(a) of the PIK Certificate, such amount to be calculated by ATS, as calculation agent. Any stock transfer taxes applicable to the exchange of PIK Preferred Stock for Exchange Preferred Stock shall be paid by ATS, except if the Exchange Preferred Stock is to be issued in the name of a person other than the registered holder of PIK Preferred Stock being exchanged therefor, in which case the person submitting the certificates for exchange will, as a condition to receiving shares of Exchange Preferred Stock, pay such stock transfer taxes or provide to the Escrow Agent satisfactory evidence of the payment of such taxes. "Eligible Institution" means a firm or other entity identified in Rule 17Ad-15 under the Securities Exchange Act of 1934 as "an eligible guarantor institution".

2.2 EXCHANGE DEBENTURES. In the event that ATS exchanges Exchange Debentures for shares of Exchange Preferred Stock while any shares of PIK Preferred Stock remain outstanding, ATS shall immediately deposit with the Escrow Agent Exchange Debentures (the "Escrow Debentures") in an aggregate principal amount equal to the liquidation preference (plus the redemption premium) of the remaining Escrow Shares. Such Escrow Debentures shall be held by the Escrow Agent in escrow for exchange by holders of PIK Preferred Stock in accordance with the PIK Certificate and shall be exchanged for PIK Preferred Stock as the Exchange Preferred Stock is to be exchanged pursuant to Section 2.1 above.

3. LIMITATION OF LIABILITY OF THE ESCROW AGENT
AND CALCULATION AGENT.

3.1 CONDUCT. The Escrow Agent will be indemnified and will incur no liability with respect to any action taken or suffered by it in reliance upon any notice, direction, instruction, consent, statement or other documents believed by it to be genuine and duly authorized, nor for other action or inaction except its own bad faith, willful misconduct or gross negligence. The Escrow Agent will not be responsible for the validity or sufficiency of this Agreement. In all questions arising under this Agreement, the Escrow Agent may rely on the advice of counsel, and for anything done, omitted or suffered in good faith by the Escrow Agent based on such advice the Escrow Agent will not be liable to anyone. The Escrow Agent will not be required to take any action hereunder involving any expense unless the payment of such expense is made or provided for in a manner satisfactory to it.

3.2 CONFLICTING DEMANDS. In the event conflicting demands are made or conflicting notices served upon the Escrow Agent with respect to the escrow provided hereby, the Escrow Agent will have the absolute right, at the Escrow Agent's election, to do either or both of the following: (a) withhold and stop all further proceedings pursuant to, and performance under, this Agreement; or (b) file a suit in interpleader and obtain an order from any court of competent jurisdiction an order requiring the parties to interplead and litigate in such court conflicting demands or claims. In the event such interpleader suit is brought, the Escrow Agent will thereby be fully released and discharged from all further obligations imposed upon it under this Agreement with respect to the claim(s) that are the subject of such interpleader suit, and ATS will pay all reasonable costs, expenses and attorney's fees expended or incurred by the Escrow Agent pursuant to the exercise of the Escrow Agent's rights under this Section 3.2, the amount thereof to be fixed and a judgment therefor to be rendered by the court in each suit.

4. EXPENSES. ATS agrees to pay the Escrow Agent a fee according to -----
the fee letter attached hereto as Exhibit A. Fees are payable in advance as compensation for the ordinary administrative services to be rendered hereunder, and ATS agrees to pay all the expenses of the Escrow Agent, including the indemnity provided in Section 5 hereof. All reasonable fees and expenses of the Escrow Agent incurred in the course of performing its responsibilities hereunder will be promptly paid by ATS, upon receipt of a written invoice from the Escrow Agent.

5. INDEMNIFICATION. The Escrow Agent shall be indemnified, jointly -----
and severally, and saved harmless by ATS or any successor thereto, from and against any and all liability, including all expenses reasonably incurred in its defense, to which the Escrow Agent shall be subject by reason of any action taken or omitted, or disbursement of any part of the Escrow Shares made by the Escrow Agent pursuant to this Escrow Agreement, except as a result of the Escrow Agent's own bad faith, gross negligence or willful misconduct. The reasonable costs and expenses of enforcing this right of indemnification shall also be paid by ATS, unless a court of competent jurisdiction determines that the Escrow Agent is not entitled to indemnification hereunder. This right of indemnification shall survive the termination of this Agreement, and the removal or resignation of the Escrow Agent.

6. SUCCESSOR ESCROW AGENT. If the Escrow Agent becomes unavailable -----
or unwilling to continue in its capacity herewith, the Escrow Agent may resign and be discharged from its duties or obligations hereunder by giving written notice of resignation to the parties to this Agreement, specifying not less than sixty (60) days' prior notice of the date when such resignation will take effect. ATS shall designate a successor Escrow Agent prior to the expiration of such sixty-day period by giving written notice to the Escrow Agent. Such successor must be a bank with assets of at least \$500 million. Upon payment of its outstanding invoices for fees and expenses, the Escrow Agent will promptly transfer the Escrow Shares or Escrow Debentures, as the

case may be, to such designated successor. If written notice designating a successor escrow agent has not been received by the Escrow Agent within sixty (60) days after the giving of notice of resignation, the resigning Escrow Agent may, at the expense of ATS, petition any court of competent jurisdiction for the appointment of a successor escrow agent.

7. LIMITATION OF RESPONSIBILITY; NOTICES. The Escrow Agent's duties

are limited to those set forth in this Agreement. The Escrow Agent may rely upon the written notices delivered to Escrow Agent hereunder.

8. NOTICES. Any notice or other communication required or permitted

to be given under this Agreement will be deemed duly given when (a) personally delivered, (b) sent by facsimile (but only if, immediately after the transmission, the sender's facsimile machine records in writing the correct answerback) or (c) five days have elapsed after mailing by certified or registered mail, postage prepaid; in each case addressed to a party at its address or facsimile number as set forth below:

If to ATS:

American Tower Systems Corporation
116 Huntington Avenue
Boston, Massachusetts 02116
Attention: Joseph Winn
Facsimile: (617) 375-7575
Phone:

With a copy to:

Sullivan & Worcester LLP
One Post Office Square
Boston Massachusetts 02109
Attention: Norman A. Bikales, Esq.
Facsimile: (617) 338-2880
Phone: (617) 338-2800

If to the Escrow Agent:

Harris Trust and Savings Bank
311 West Monroe Street, 12th Floor
Chicago, Illinois 60606
Attention: Escrow Division\Marianne Tinerella
Facsimile: (312) 461-3525
Phone: (312) 461-2420

or to such other address or facsimile number as a party may have furnished to the other party in writing pursuant to this Section 8.

9. GENERAL.

9.1 GOVERNING LAW. The laws of the State of New York will govern the validity of this Agreement, the construction of its terms, and the interpretation and enforcement of the rights and duties of the parties hereto.

9.2 ASSIGNMENT; BINDING UPON SUCCESSORS AND ASSIGNS. Except as provided in this Section 9.2, the ATS and the Escrow Agent may not assign any of their rights or obligations hereunder without the prior written consent of the other party hereto. This Agreement will be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

9.3 COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which will be an original as regards any party whose signature appears thereon and all of which together will constitute one and the same instrument.

9.4 ENTIRE AGREEMENT. This Agreement and the exhibits hereto constitute the entire understanding and agreement of the parties hereto with respect to the subject matter hereof and supersede all prior and contemporaneous agreements or understandings, inducements or conditions, express or implied, written or oral, between the parties with respect hereto. The express terms hereof control and supersede any course of performance or usage of the trade inconsistent with any of the terms hereof.

9.5 NO WAIVER. The failure of any party to enforce any of the provisions hereof will not be construed to be a waiver of the right of such party thereafter to enforce such provisions. No waiver of any kind shall be effective or binding, unless it is in writing and is signed by the party against whom such waiver is sought to be enforced.

9.6 AMENDMENT. This Agreement may be amended by the written agreement of ATS, the Escrow Agent and Credit Suisse First Boston Corporation ("CSFBC"); provided that, if the Escrow Agent does not agree to an amendment agreed upon by ATS and the CSFBC, the Escrow Agent will resign and ATS will appoint a successor Escrow Agent in accordance with Section 9 above. No amendment of the PIK Preferred Certificate of Designation will increase Escrow Agent's responsibilities or liability hereunder without Escrow Agent's written agreement.

9.7 THIRD PARTY BENEFICIARIES. Holders of PIK Preferred Stock are intended third party beneficiaries of this Agreement and this Agreement may be enforced by such persons.

IN WITNESS WHEREOF, this Agreement has been executed as of the date first set forth above.

AMERICAN TOWER SYSTEMS
CORPORATION

HARRIS TRUST AND SAVINGS BANK,
AS ESCROW AGENT

By: _____
Name:
Title:

By: _____
Name:
Title:

[SIGNATURE PAGE TO ESCROW AGREEMENT]

SUBSIDIARIES OF AMERICAN TOWER CORPORATION

SUBSIDIARY	JURISDICTION OF INCORPORATION OR ORGANIZATION
American Tower Systems (Delaware), Inc.	Delaware
ATSC Operating Inc.	Delaware
ATSC LP Inc.	Delaware
ATSC Holding Inc.	Delaware
ATSC GP Inc.	Delaware
American Tower Systems, L.P.	Delaware
ATS Merger Corporation	Delaware
American Tower Rental Holding Corporation	Delaware
American Tower Rental, Inc.	Delaware
ATC Tower Corp.	Delaware
ATC-Prime I, L.L.C.	Delaware
ATC-Prime II, L.L.C.	Delaware
National Telecommunications Advisors, L.L.C.	Massachusetts
HHR, Inc.	Kansas
US Sitelease, Inc.	Kansas
Westark Towers, Incorporated	Arkansas
Gritz Tower Maintenance Company	Texas
ATS Needham, LLC*	Delaware
ATS/PCS, LLC*	Delaware

* ATS owns a 50.1% interest in this entity.

* ATS owns a 70.0% interest in this entity.

INDEPENDENT AUDITORS' CONSENT AND REPORT ON SCHEDULES

To the Board of Directors of
American Tower Systems
Corporation

We consent to the use in this Amendment No. 2 to Registration Statement No. 333-52481 of American Tower Systems Corporation on Form S-1 of our report dated March 6, 1998 (March 27, 1998 as to the sixth paragraph of Note 1 and the second paragraph of Note 4), appearing in the Prospectus, which is a part of this Registration Statement, and to the reference to us under the heading "Experts" in such Prospectus.

Our audits of the consolidated financial statements referred to in our aforementioned report also included the financial statement schedules of American Tower Systems Corporation, listed in Item 16. These financial statement schedules are the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, such financial statement schedules, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly in all material respects the information set forth therein.

/s/ Deloitte & Touche LLP

Deloitte & Touche LLP
Boston, Massachusetts

June 29, 1998

INDEPENDENT AUDITORS' CONSENT

We consent to the use in this Amendment No. 2 to Registration Statement No. 333-52481 of American Tower Systems Corporation on Form S-1 of our report on the financial statements of Diablo Communications, Inc. dated November 4, 1997, appearing in the Prospectus, which is part of this Registration Statement.

We also consent to the reference to us under the heading "Experts" in such Prospectus.

/s/ Deloitte & Touche LLP

Deloitte & Touche LLP
San Francisco, California

June 29, 1998

INDEPENDENT AUDITORS' CONSENT

We consent to the use in this Amendment No. 2 to Registration Statement No. 333-52481 of American Tower Systems Corporation on Form S-1 of our report on the combined financial statements of Meridian Communications dated October 31, 1997, appearing in the Prospectus, which is part of this Registration Statement

We also consent to the reference to us under the heading "Experts" in such Prospectus.

/s/ Deloitte & Touche LLP

Deloitte & Touche LLP
Long Beach, California

June 29, 1998

INDEPENDENT AUDITORS' CONSENT

We consent to the use in this Amendment No. 2 to Registration Statement No. 333-52481 of American Tower Systems Corporation on Form S-1 of our report on the financial statements of Gearon & Co., Inc. dated February 27, 1998, appearing in the Prospectus, which is part of this Registration Statement.

We also consent to the reference to us under the heading "Experts" in such Prospectus.

/s/ Deloitte & Touche LLP

Deloitte & Touche LLP
Atlanta, Georgia

June 29, 1998

INDEPENDENT AUDITORS' CONSENT

We consent to the use in this Amendment No. 2 to Registration Statement No. 333-52481 of American Tower Systems Corporation on Form S-1 of our report on the financial statements of OPM-USA-INC. dated March 2, 1998, appearing in the Prospectus, which is part of this Registration Statement.

We also consent to the reference to us under the heading "Experts" in such Prospectus.

/s/ Deloitte & Touche LLP

Deloitte & Touche LLP
Boston, Massachusetts

June 29, 1998

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

As independent certified public accountants, we hereby consent to the use of our report and to all references to our Firm included in or made part of this registration statement.

/s/ Pressman Ciocca Smith LLP

Hatboro, Pennsylvania

June 29, 1998

CONSENT OF INDEPENDENT AUDITORS

We consent to the reference to our firm under the caption "Experts" and to the use of our report dated January 13, 1998 (except Note 7, as to which the date is January 27, 1998), with respect to the financial statements of Tucson Communications Company included in the Registration Statement (Form S-1 No. 333-52481) and related Prospectus of American Tower Systems Corporation for the registration of shares of its common stock.

/s/ Ernst & Young LLP

San Diego, California

June 29, 1998